



Daily Report

East Asia

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Indonesia's Alatas on Supplying Arms to Bosnia

*BK1409040895 Jakarta ANTARA in Indonesian
1725 GMT 13 Sep 95*

[FBIS Translated Text] Kuala Lumpur, 13 Sep (ANTARA) — Indonesia as a member of the Organization of Islamic Conference [OIC] has not just 'talked' about the Bosnian issue on the international diplomatic scene but has done something concrete for Bosnia-Herzegovina. Indonesia has sent economic and military aid to that country.

"Nevertheless, our country sees no need to make a fuss about the aid," Foreign Minister Ali Alatas told reporters upon arrival at Kuala Lumpur International Airport in Subang on Wednesday evening.

The foreign minister was answering questions about the statement the Bosnia-Herzegovina delegation made during a preparatory meeting of the OIC contact group in Kuala Lumpur the previous day.

During the meeting, the Bosnia-Herzegovina delegation reiterated that it badly needs military aid. The delegation said the OIC's moral support has sufficiently boosted the Bosnian people's struggle.

Alatas said it would be impossible for Indonesia to supply arms, especially heavy weapons to Bosnia-Herzegovina because Indonesia is not an arms producer.

"We have sent a number of soldiers there under the auspices of the United Nations," the foreign minister said. However, more aid is needed from OIC member countries.

The foreign minister said Jakarta has given the Bosnian people U.S. \$5 million from the coffers of the Indonesian Government and millions of dollars more that were collected from the Indonesian people.

"Perhaps, that money is an insignificant amount for rich countries. However, the amount is very significant for Indonesia and the greatest amount of financial aid given by any OIC member," Ali Alatas said.

Answering questions on Indonesia's initiatives at a meeting of 14 OIC members in Kuala Lumpur on Thursday and Friday, Minister Alatas said Jakarta reaffirmed the need to seek alternative measures to end the war in the Balkan state.

For Indonesia, the acceptance of NATO's proposal for a territorial division in the former Yugoslav republic cannot guarantee that the Bosnian people's sufferings will end. However, Indonesia as a supporter of Bosnia-Herzegovina respects the acceptance by the Bosnian Government for the proposal.

"Accordingly, the task of the OIC members, who are meeting in Kuala Lumpur, will be to consolidate a

common consensus without compromising the position of Bosnia-Herzegovina.

OIC Contact Group Meeting on Bosnia Opens

*BK1409065495 Kuala Lumpur RTM Television
Network 3 in Malay 0530 GMT 14 Sep 95*

[FBIS Translated Text] [Malaysian] Foreign Minister Datuk Abdullah Ahmad Badawi says it is time to take military action against the Serb aggressors. He dismissed the claim of certain circles that the action would further aggravate the war. The action would instead force them to seek peace.

Datuk Abdullah made these remarks while welcoming foreign and defense ministers of the Organization of Islamic Conference [OIC] contact group and countries contributing troops to the UNPROFOR [United Nations Protection Force] in Bosnia. The two-day ministerial meeting, which began this morning, is also being attended by a Croatian observer. Datuk Abdullah said the OIC will not allow the genocide against the Bosnian people to continue. Accordingly, he hoped the Kuala Lumpur meeting would express support for efforts to provide a better life for the Bosnian people. Regarding the Western peace plan, he said the plan should be fair and should not reward the aggressors in Pale.

[Malaysian] Defense Minister Datuk Syed Hamid said the meeting will be responsible for implementing a plan of action approved by senior foreign affairs officials and military commanders. Initially, several coordination officers will be named to implement the dispatch of military equipment to the Bosnian Government.

Meanwhile, OIC Secretary General Dr. Hamid al-Gabid commented on the OIC decision to dismiss the UN arms embargo against Bosnia-Herzegovina because it was considered illegal. He said it had indirectly been successful. According to him, Western allies have now taken military action against the Serb aggressors in addition to continuing diplomatic efforts. This decision was made during the OIC contact group's meeting in Geneva last July. He said NATO air strikes, though belated, had at least forced the aggressors to return to the negotiating table. Dr. Hamid al-Gabid said the Serb aggressors' stubbornness could only be countered with military force.

He added that Malaysia was among the first countries to donate \$800,000 to the OIC special fund for Bosnia-Herzegovina. Dr. Hamid al-Gabid thanked the Malaysians, particularly the prime minister, for their support to the Bosnian Government.

Establishes Special Task Force

*BK1409131995 Kuala Lumpur RTM Television
Network 1 in Malay 1200 GMT 14 Sep 95*

[FBIS Translated Text] The Organization of the Islamic Conference, OIC, has officially announced the establishment of a special task force for the reconstruction of war-ravaged Bosnia-Herzegovina.

[Begin correspondent recording] The formation of the task force, the Assistance Management Group, or AMG, for Bosnia-Herzegovina, was agreed to at a special meeting in Kuala Lumpur of the foreign ministers and defense ministers of the OIC Contact Group. The special meeting was also attended by countries that are directly involved in sending troops for the UN Protection Force, UNPROFOR, in Bosnia.

The special meeting was a follow-up to the meeting held by the OIC Contact Group in Geneva last July. The meeting was co-chaired by Foreign Minister Datuk Abdullah Ahmad Badawi and Defense Minister Datuk Syed Hamid Albar. Also present was Bosnian Foreign Minister Muhammed Sacirbey. Speaking during a news conference at the conclusion of the special meeting, Foreign Minister Datuk Abdullah Badawi said the special group for reconstruction will concentrate its efforts toward coordinating the provision of humanitarian, economic, and defense assistance.

Meanwhile, Mr. Muhammed Sacirbey warmly welcomed the establishment of the group. He said it will be more effective in coordinating all forms of assistance — political and practical. [end recording]

Plans To Provide Aid to Bosnia

*LD1409111195 Melbourne Radio Australia
in English 1000 GMT 14 Sep 95*

[FBIS Transcribed Text] The meeting in Malaysia of defense and foreign ministers from 14 Islamic nations has decided to set up a special task force to provide assistance, including military aid, to the Bosnian Government. The 14 countries are members of the Organization of the Islamic Conference, the OIC, which decided last month to declare invalid the embargo on providing weapons to Bosnia. Tan Sri Ahmad Kamil bin Jaafar, secretary general of the Malaysian Foreign Ministry, told Radio Australia that the OIC would be providing more than military aid to the mainly Muslim Bosnian government:

[Begin Jaafar recording] This assistance will be as comprehensive as we can, not just defense assistance, but also humanitarian, economic, and legal assistance. So this task force, if you like to call it — but the actual name is the Assistance Mobilization Group for Bosnia — has been formed, and we are about to begin looking at the various priority areas that need to be looked at. [end recording]

Countries Agree To Supply Arms

*BK1409101595 Hong Kong AFP in English
1010 GMT 14 Sep 95*

[FBIS Transcribed Text] Kuala Lumpur, Sept 14 (AFP) — Muslim nations meeting here agreed Thursday to supply arms to Bosnian government forces, officials said.

The move followed repeated Bosnian government requests to the Organisation of the Islamic Conference (IOC) [OIC] for weapons to help fight off Bosnian Serbs laying siege to Sarajevo, they said.

Defence and foreign ministers agreed an action plan to be implemented by a task force called "Assistance Mobilisation Group for Bosnia-Herzegovina" under the 53-nation OIC, the officials said.

Military chiefs and senior Foreign Ministry officials drafted the plan in three days of talks preceding the ministerial meeting, which ended Thursday.

Fourteen OIC nations attended the ministerial meeting to discuss economic and military help for Bosnia.

The ministers were from the OIC contact group of Egypt, Iran, Malaysia, Morocco, Pakistan, Saudi Arabia, Senegal and Turkey, as well as three Muslim nations which have sent peacekeeping troops to Bosnia — Bangladesh, Indonesia and Jordan.

Bosnia, Qatar and Kuwait were also represented at the meeting and Croatia sent an observer.

The OIC contact group declared in July that the UN-imposed arms embargo on Bosnia was invalid and said it was prepared to supply arms to Bosnian Muslims.

This is the first time OIC defence and foreign ministers have met to devise a strategy on Bosnia, officials said.

DPRK Delegate to LWR Negotiations Profiled

*SK1409084495 Seoul CHOSON ILBO in Korean
14 Sep 95 p 25*

[Unattributed report from the "Focus on North Korean Figure" column: "Ho Chong, North Korean Delegate to the Negotiations To Provide Light-Water Reactors"]

[FBIS Translated Text] In the negotiations currently underway in Kuala Lumpur to provide light-water reactors [LWR] to North Korea, North Korean delegate Ho Chong is the counterpart to Stephen Bosworth, secretary-general of the Korea Energy Peninsula Development Organization. Ho began to attract public attention in the 1990's by serving as a working official in North Korea's diplomacy toward the United States.

Early last year, he resumed his duties as a roving ambassador for the Ministry of Foreign Affairs. While serving as a deputy ambassador to the United Nations for five years, he was deeply involved in negotiations with the United States on settling the nuclear issue.

During the U.S.-North Korea high-level talks held on three occasions between June 1993 and October 1994, he served as an aid to Kang Sok-chu, first vice minister of the Ministry of Foreign Affairs and senior delegate from North Korea, who led the working-level negotiations. In particular, from late 1993 to February 1994, Ho held marathon negotiations with the United States regarding the nuclear issue, and as a result, implemented the four simultaneous actions put forward by North Korea via a package deal.

Thomas Hubbard, deputy assistant secretary of state for Asia and Pacific affairs and a senior delegate for the United States, who was then the counterpart of Ho Chong, stated: "It was like engaging in an endless argument over the marks on the bark of a tree while confined in a small room."

Since 1990, Ho Chong has attended academic seminars on disarmament and nuclear issues held in the United States. For the first time, he attended the U.S.-North Korea official talks between party secretary Kim Yong-sun and Arnold Kanter, then U.S. undersecretary of state for political affairs, held in January 1992.

Because of his lanky height, neat appearance, and fluent English, he was well-known to the UN and Western diplomatic circles, possessing a good reputation. He was born in 1945 and graduated from the Pyongyang University of Foreign Language. Following this, he served as an interpreter in the Ministry of Foreign Affairs. There are rumors he is a relative of Ho Tam, who died in 1991, and that he is the son of Ho Chong-suk (daughter of Ho Hon). (Because Choe Chang-ik, the husband of Ho Chong-suk, was purged as a factional element, his son and daughter adopted their mother's family name). However, this has not been confirmed.

First Asia-Europe Summit Scheduled for Mar 1996

*BK1309050695 Bangkok BANGKOK POST
in English 13 Sep 95 p 6*

[Report from Phuket by Saritdet Marukatat]

[FBIS Transcribed Text] The first Asia-Europe Summit [ASEM] to be attended by Asian and European leaders will be held on March 1 and 2 next year.

The dates were agreed yesterday by officials from member countries of the Association of Southeast Asian Nations and from Japan, China and South Korea.

The agreement was made possible after the Japanese delegation approved the dates.

Preparatory talks held here yesterday were attended by officials from the seven ASEAN countries (Thailand, Brunei, Indonesia, Malaysia, the Philippines, Singapore and Vietnam) and from three East Asian "tigers" (Japan, China and South Korea).

The meeting was chaired by Foreign Ministry Permanent Secretary Thep Thewakun.

M.R. Thep told reporters that as host country, Thailand would in due course inform the European Union of the agreed date. It would do so through European Union channels in Thailand.

Tokyo had initially been reluctant to join ASEM on February 29 and March 1 as proposed by the EU. This was because its prime minister would find it difficult to leave the country when the Diet, its legislative body, is due to debate the budget. Tokyo preferred March 2 and 3, which falls on a weekend.

But the EU would be unable to meet on those days because it had a ministerial meeting the day after. March 1 and 2 was the compromise.

Japan's delegation was headed by Ryozo Kato, director-general of the Asian Affairs Bureau of that country's Foreign Ministry.

The venue is very likely to be Phuket rather than Bangkok if the EU agrees to the new timetable.

It was felt that it would be inconvenient to hold the historic event in Bangkok at that time, when Thailand will be preparing for the cremation of HRH [Her Royal Highness] the Princess Mother on March 10, M.R. Thep said.

Bangkok and Phuket are the two options Thailand selected for the ASEM.

The ASEM will be attended by 15 government leaders from the EU plus the European Commission and 10 Asian leaders.

M.R. Thep said agendas will not be set for the meeting, but that they would discuss future cooperation between the two continents "in a constructive manner and in a comfortable setting".

The Asian side would propose that European countries be invited to invest more in and trade more with Asia, including proposing lowering trade barriers, he explained.

European countries had the potential in technology and human resources development to help improve

standards in Asian states and to develop the skills of Asians, he added.

M.R. Thep said they would discuss plans for the EU to contribute to security in the Southeast Asian region.

Asian leaders would clarify to their European counterparts that Asia was not causing economic problems in their countries by exporting goods to the continent.

European countries must realise the need to develop their industry to another level with more advanced technology while they face products from Asia which take advantage of lower labour costs, he said.

France and many European countries face high unemployment and Asian countries did not want there to be the misunderstanding that they are the root cause of the problem.

"We will find ways for future cooperation instead of using the meeting for arguments," M.R. Thep said.

Details of issues to be raised in the ASEM would be worked out in detail by senior officials in due course, he said.

Issues to be discussed will revolve around the theme "Towards a New Asia-Europe Partnership for Greater Growth".

The Thai prime minister will issue the chairman's statement at the end of the gathering.

Chinese Vice-Foreign Minister Wang Yingfan backed the ASEM at the senior official meeting yesterday.

He said he saw it as a good opportunity for leaders from the two continents to discuss issues that concern them.

They would get the chance to explore the possibility of political, economic and social development. Asian and European countries could be able to complement one another on these aspects, he said.

He said China hoped that the ASEM would foster understanding and confidence among their leaders.

Officials Consider Agenda

OW1309051895 Tokyo KYODO in English
0418 GMT 13 Sep 95

[FBIS Transcribed Text] Phuket, Thailand, Sept. 13
KYODO — Senior officials from 10 Asian countries have outlined an array of issues for possible discussion by the leaders of 25 Asian and European countries when they gather in Thailand next March for their first-ever summit.

Informed sources said Wednesday [13 September] the officials, meeting in the Thai seaside resort of Phuket since Tuesday, have agreed that a loose agenda for the

informal summit should cover the three broad areas of political dialogue, strengthening of economic ties and laying out the future course of Asia-Europe relations.

They said a number of specific topics under each area were proposed, which have been listed for discussion with European senior officials in a preparatory meeting in Madrid on Dec. 19-20. The summit meeting is provisionally set to be held March 1-2. It was previously expected to be held in Bangkok, but organizers are now strongly considering Phuket as the venue.

On the European side will be the leaders of 15 European Union (EU) member countries and the EU Commission. The Asian side will be comprised of the seven ASEAN countries — Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam — as well as China, Japan and South Korea.

The sources said topics proposed for the political dialogue include the role of the two regions on the global scene, the political and security situations in the two regions, possible areas of Asian-European political and security cooperation, confidence-building measures and preventive diplomacy, and disarmament and nuclear issues.

As time will be set aside for free discussion, the sources predicted there will also likely be exchanges of views on such topics as Myanmar [Burma], the North Korean nuclear issue and the Spratly Islands dispute.

In the area of economic ties, it has been proposed that the two sides review the economic situation in the two regions and in the world at large, discuss multilateral relations through the World Trade Organization, oppose unilateralism and support strengthening of multilateral financial institutions like the International Monetary Fund and the World Bank.

Also on the list of possible economic topics are such issues as market access, facilitation of investment flows, transfers of technology, cooperation in the promotion of business activities, and public and private sector cooperation.

As for future Asia-Europe ties, the provisional list identified scope for cooperation in the areas of human resources development, environment, the fight against drugs, international crime and terrorism, economic development, regional integration, and strengthening of linkages between educational institutions.

The officials were said to have agreed that the results of the summit talks would best be summed up and announced in the form of a chairman's statement, rather than a stiffly worded document that would require unanimous endorsement of all 25 countries. The sources

said the first summit meeting is the start of a new process of dialogue between the two regions, and said future summits would be expected to place more emphasis on substance and concrete action.

ASEAN has decided to limit the number of participating leaders to 25 for the first meeting, though countries like Australia, New Zealand, India and Pakistan may be given the chance to participate in subsequent meetings.

The idea for a summit meeting to act as a bridge between Asia and Europe stems from a proposal made by Singapore Prime Minister Goh Chok Tong last year.

Asia-Pacific leaders already have an institutional framework for dialogue through the Asia-Pacific Economic Cooperation group, while North American, European and Japanese leaders have the annual Group of Seven talks.

Move To Allay EU's 'Protectionist' Fears Urged

BK1009154495 Bangkok THE SUNDAY POST
in English 10 Sep 95 pp 1, 3

[FBIS Transcribed Text] Bandar Seri Begawan—Japan proposed yesterday that Asian leaders should urge their European counterparts to help counter the Far East's image as a dangerous competitor when the two sides meet for a special summit in Bangkok early next year.

The move is apparently designed to counter protectionist sentiment in Europe that views Japan and other Asian countries as unfair traders who are undermining European economies.

As a result, cars, electrical goods and other Asian products have been restricted by quotas or taxed for alleged dumping.

The proposal was put by Japanese International Trade and Industry Minister Ryutaro Hashimoto at a meeting with ASEAN economic ministers.

Thai Deputy Prime Minister Amnuai Wirawan indicated that ASEAN shared the view.

Dr Amnuai told reporters that an obstacle to smooth trade relations was misunderstanding. Therefore next year's summit should try to create a better understanding, he said.

The 25-nation summit will be held in Bangkok, probably on February 29 and March 1. It will involve government heads from the 15 European Union members, the ASEAN seven, China, Japan and South Korea.

Dr Amnuai said both Japan and ASEAN want the summit to concentrate on economic issues. He said the Europeans would probably have the same objective because European businesses want to increase their activities in the region.

After yesterday's Japan-ASEAN meeting, the two sides declined to make specific comments on whether proposals for trade liberalisation by Asia-Pacific Economic Cooperation (APEC) group members should cover agriculture.

APEC is approaching a consensus on the proposal that the lower trade barriers it announces over the next few years should apply indiscriminately to most other members of the world trading community.

The United States has opposed the proposal on the grounds that it allows the European Union and other non-APEC members to enjoy the lower trade barriers without having to do anything in return.

ASEAN and Japan declared yesterday they will continue to pursue APEC policy that strengthens the multilateral trading system "in a non-discriminatory manner".

Mr Hashimoto told a press conference that Japan considers a "comprehensive" package of APEC liberalisation to be of utmost importance. This is normally interpreted to mean covering all sectors and products, including rice.

He added, however, that there would have to be some flexibility to take account of some "sensitive" products, apparently a reference to rice.

Thailand has previously insisted that rice should not be excluded from an APEC package. But yesterday Dr Amnuai expressed sympathy for the sensitivities of several countries.

He said Thailand wants rice to be included, but it is powerless to order anyone. The only way is to try to persuade Japan, he said. At the same time, every country has sensitive products, he went on.

Nevertheless, Thailand does not want to see agricultural products protected unreasonably, Dr Amnuai said. Japanese rice is 600 per cent to 700 per cent more expensive than on world markets, and that penalises Japanese consumers, he argued.

But Thailand cannot tell Japanese farmers not to grow rice any more than Japan can tell Thai farmers not to produce cash crops, he said.

Yesterday's Japan-ASEAN meeting also discussed progress on cooperation arrangements for Cambodia, Laos and Burma.

Areas identified for cooperation include: promoting market economy transitions, establishing special market economy zones, supporting infrastructure development, providing a trade and investment policy review enhancing market linkages on a sectoral basis, providing cooperation in developing mineral resources, and supporting human resources development.

Forum of Asia-Pacific Democratic Leaders Meets**Sun Kyi Addresses Forum**

*BK1109055195 (Internet) BurmaNet News in English
7 Sep 95*

[An opening message from Daw Aung San Suu Kyi to the Burma Seminar organized by Forum of Democratic Leaders in the Asia-Pacific held in Seoul, South Korea, September 3-4]

[FBIS Transcribed Text] It is an honour and a pleasure to be able to address a few words to the Burma Seminar convened by the Forum of Democratic Leaders in the Asia-Pacific. It provides me with an opportunity to thank the Forum for its excellent work in support of the struggle for democracy in our region, and to send my warm greetings to the participants of the seminar.

This is a time when it is crucial to make the international community aware of the situation in our country and of our endeavours to establish a democratic political system in keeping with the will of the people. We who have been striving for democracy in Burma believe that peace and genuine progress can be achieved only by creating a climate of trust and confidence in our nation. We need the basic rights that will give our people a sense of security and remove the shadows of mistrust and suspicion that darken their lives. The people also need to feel confident that they are in control of their own destiny, that their interests will be guarded and their will respected by those who are in charge of the governance of the country. Our concept of democracy is fundamentally very simple; it is a system that ensures the supremacy of the will of the people by providing institutions by which this will can be effectively implemented.

It is my hope that this seminar will be able to bring to the attention of the world the obstacles that have yet to be overcome before democracy can truly be established in Burma. Further I hope the seminar will be able to suggest suitable means for removing such obstacles.

May I wish the Forum and the participants in the Burma Seminar all success in their endeavours to promote the cause of democracy in Burma and in the rest of the Asia-Pacific.

Burmese Opposition Figure Speaks

*BK1109162295 (Internet) BurmaNet News in English
8 Sep 95*

[Speech by Dr. Sein Win, prime minister of the National Coalition Government of the Union of Burma [NCGUB], at the Forum of Democratic Leaders in the

Asia-Pacific [FDL-AP] in Seoul "on 3-4 September": "Role of the NCGUB"]

[FBIS Transcribed Text] Mr. Kim Dae-jung, honorable Co-Presidents, respected participants, ladies and gentlemen:

I had the honor of speaking at the inaugural meeting of the FDL-AP last December. Since then, many things have changed quite dramatically in Burma and I am both honored and gratified that you have asked me to speak again. Before I do so, let me first bring greetings on behalf of our leader Daw Aung San Suu Kyi. As you know, she was released on July 10 after being under house arrest for nearly 6 years. In her first public statement after her release, she thanked all those who have worked for her release. I would like to take this opportunity to specifically thank the Forum of Democratic Leaders in the Asia-Pacific and the Kim Tae-chung Foundation on her behalf. I am glad to report that she is well and determined to continue her political work until democracy is restored in Burma.

Various people have speculated as to why the State Law and Order Restoration Council [SLORC] decided to release Daw Aung San Suu Kyi. Some claim that SLORC released her because the generals had promised that they would release her in July. They say that being honorable men, the generals kept their promise. This ignores the fact that SLORC promised to hand over power to the winners of the general elections in 1990. They have not kept that promise. Others say they kept Daw Aung San Suu Kyi under house arrest only as they were able to do so legally. This implies that SLORC is a legitimate government that does everything according to the law, contrary to the fact that SLORC makes and breaks any law it likes.

The Generals have in fact stated that since they are a military government, they are above the law. Some say that SLORC released Daw Aung San Suu Kyi because there was dissension among the ranks. They say that some of the more reasonable generals wanted her released. Whatever the real motivation, we can be sure that SLORC decided to release her only because the liability of keeping her under detention was outweighing the benefit of having her under house arrest. We know for a fact that the US Congress introduced legislation in June to cut US funding [for] the United Nations Development Program if it continued with development projects in Burma. In July US Congress again threatened to introduce economic sanctions against SLORC and the World Bank was not responding positively to the appeal by the generals for assistance. We also know that although Japan was willing to renew ODA [Official Development Assistance] assistance to Burma, it was

insisting on the release of Daw Aung San Suu Kyi. Even ASEAN was beginning to tell SLORC that it would be easier to accept Burma if Daw Aung San Suu Kyi was released. It can also be assumed that SLORC was worried about the upcoming UN General Assembly in September.

In general, things were not going well for SLORC internationally. Its campaign to raise foreign exchange through tourism was also running into trouble. Charges of slave labor had been raised by the International Labor Organization and even National Geographic, a non-political magazine, had in its July issue portrayed SLORC negatively.

It is probable that SLORC took into account all these factors and decided that it might be better to release Daw Aung San Suu Kyi under controlled conditions. The generals then took steps to minimize the danger to themselves and to ensure that her release would give them maximum benefits. First, senior officers and troop commanders in Burma were transferred to new positions. This happened in July and it is significant because usually, military transfers are made in March. This step virtually eliminates any slight possibility of an uprising within the armed forces. SLORC was not taking any chances. Second, Daw Aung San Suu Kyi's release was only announced internationally where it would have the maximum effect while domestically, nothing was mentioned. This had the desired effect of influencing international opinion without endangering SLORC's control within the country. And finally, SLORC stated after her release that she is an ordinary citizen with the same rights as anybody else. What SLORC did not announce is that the people of Burma have no rights. Therefore, Daw Aung San Suu Kyi is now free to leave her house, but like everybody else, she cannot criticize SLORC. Otherwise she can be arrested for threatening the security of the state.

It is very important that we understand this. Many people have not understood this very important point. They rush in to interview her and ask her very dangerous questions about the political situation. Since she is not able to speak her mind as freely as she would like to, she answers diplomatically. This is viewed by some to mean that she is not opposed to what they want to do in Burma, either to invest in a business or give aid to SLORC. An example of how dangerous it is for her to speak out is her statement that she was disappointed with Japan's eagerness to renew ODA assistance. Soon after that, SLORC accused her of hindering the development of the Burmese economy because she was jealous of the achievement of the generals. We need to remember that any word that is attributed to her which causes a setback for SLORC can

be used to arrest her for undermining the security of the state. However, I must say that Daw Aung San Suu Kyi has been very courageous. She has spoken out many times even when it was dangerous to do so.

Given these conditions, we see her cautiously testing the limits. We are certain that under Daw Aung San Suu Kyi's determined leadership, the democracy movement inside Burma will be revitalized in spite of anything that SLORC will try to do to prevent it. However, we must not leave it to her to challenge SLORC alone. We have to help improve conditions for her so that she can do more. Towards this objective, Burmese elected representatives who were in exile, met in Sweden in July. We were able to agree on how we will work together to support Daw Aung San Suu Kyi's political initiative. The Convention of Burmese Elected Representatives was a very crucial meeting for the Burmese democracy movement and I would like to take this opportunity to officially thank our friends from Sweden, especially the Olof Palme International Centre, for making it possible. At the Convention, we dissolved the government we had formed in Manerplaw in 1990 and re-constituted a new coalition government. To reflect our commitment to a parliamentary democracy within a federal system, four out of the ten cabinet members are from ethnic states.

The basic position of the NCGUB is one of cautious optimism. We are very happy that Daw Aung San Suu Kyi has been released and we are sure we will succeed but do not believe that SLORC is prepared to change on its own. Otherwise, it would have by now acknowledged Daw Aung San Suu Kyi's offer of a dialogue. Other indications that SLORC has not changed are the following:

- SLORC is still pursuing a policy of armed confrontation with peoples. In fact, it broke its cease-fire agreement with the Karenni National Progressive Party recently;
- Gross human rights violations such as forced labor, forced portorage, and forced relocation, are still being perpetrated, especially in ethnic areas;
- SLORC has not lifted any of its laws restricting the fundamental rights of the people and it is again denying that it has any political prisoners under detention;
- International agencies such as the International Committee of the Red Cross are still being denied access to monitor the situation. In fact, SLORC ignored a recent high level UN mission that attempted to encourage a dialogue between SLORC and Daw Aung San Suu Kyi;

— And finally, as far as we know, SLORC is determined to continue with its National Convention on October 24 to draft a constitution to give the military a major political role in Burma.

As Daw Aung San Suu Kyi said, "I have been released. That is all. Nothing has changed."

Therefore, while we see Daw Aung San Suu Kyi taking the lead, it is clearly the job of those of us outside to press for more freedom of action for Daw Aung San Suu Kyi. Her release has shown that SLORC is vulnerable to international pressure. The most useful thing we and others can do now is to increase international pressure on SLORC to seriously enter into a dialogue with Daw Aung San Suu Kyi. That should be our priority.

International pressure brought about her release. International pressure can help to improve her circumstances. The following are some of the conditions that the Convention of Burmese elected representatives would like to see:

— An official response from SLORC to Daw Aung San Suu offer of a dialogue;

— SLORC officially establishing a political dialogue with Daw Aung San Suu Kyi;

— The immediate and unconditional release of all other political prisoners;

— The lifting of all laws restricting the fundamental rights of the Burmese people;

— The declaration of a nation-wide cease-fire;

— The cessation of all human rights violations, including forced labor and portering;

— Allowing international agencies free access to monitor the situation;

— The abolishing of the current National Convention.

Without these taking place, it cannot be said that SLORC has changed and the international community should not rest until these conditions are met. The Convention of Burmese Elected Representatives would also very much like to see the Secretary-General of the United Nations fully implement the December 1994 resolution of the General Assembly which calls for him to assist in the national resolution process in Burma. Ultimately, without a tripartite dialogue amongst the Burmese military led by SLORC the democracy movement led by Daw Aung San Suu Kyi, and Burma's ethnic leaders, we will not be able to solve Burma's problems.

In closing I would like to request each and every one of you to continue supporting our work. There is still a

lot to be done to create the right atmosphere in which Daw Aung San Suu Kyi can act freely. This is just the beginning. Please stay with us. We all have a long and dangerous way to go. We need our friends now even more than before.

Thank you all.

Resolution on Burma Adopted

BK1109151195 (Internet) BurmaNet News in English 8 Sep 95

[Resolution adopted by the Forum of Democratic Leaders in the Asia Pacific Burma Seminar in Seoul on 4 September]

[FBIS Transcribed Text] Recalling the resolution on democratization in Burma adopted by the inaugural meeting of the FDL-AP [Forum of Democratic Leaders in the Asia Pacific] on 02 December 1994;

Welcoming with gladness the unconditional release from house arrest of Daw Aung San Suu Kyi on 10 July 1995;

Noting with satisfaction that the State Law and Order Restoration Council (Slorc) adhered to its pledge in effecting Daw Suu Kyi's release;

Deploing the continued detention of hundreds of other political prisoners in Burma today;

Deeply Disturbed by numerous well-documented reports of continuing human rights violations in Burma and aware of Resolution 1995172 adopted by the United Nations Human Rights Commission condemning such violations;

Gravely Concerned that the Slorc is proceeding with a National Convention, composed primarily of non-elected members, to draft a new constitution that will institutionalize a permanent leading role for the military in Burma's political affairs;

Aware that large-scale import of arms into Burma contributes to human rights abuses and diverts scarce resources desperately needed for the economic development;

Also Aware that heroin production and trafficking is an increasing scourge within Burma and internationally, and that severe environmental degradation is a serious threat to the prosperity of Burma and the region;

Recalling successive resolutions adopted by the United Nations General Assembly calling for democratization and respect for human rights in Burma;

Reaffirming the FDL-AP's principle of non-interference in countries' internal affairs outside of matters covered by international obligations and standards, and;

Believing that the release of Aung San Suu Kyi provides an opportunity for all Burmese peoples to join on the road to genuine peace and national reconciliation under democratic rule.

1. BE IT RESOLVED, therefore, that the FDL-AP:

a. Renew its commitment to work by all peaceful means through its Burma Commission, Headquarters and National Chapters and liaison offices towards realization of internationally-recognized standards of democratization and human rights in Burma, including offering the good offices of the FDL-AP to assist in, or contribute to dialogue on the fulfillment of these objectives;

b. Join the international community and support prompt implementation of the relevant United Nations resolutions which call on the SLORC to, among others things, release all other political prisoners and peacefully and fully restore democracy;

2. Be It further resolved that the FDL-AP call on the State Law and Order Restoration Council to:

a. Join substantive dialogue with Daw Aung San Suu Kyi along with other representatives of all political organizations and ethnic nationalities aimed at achieving a consensus among all the peoples of Burma regarding speedy transfer of power to the representatives democratically elected in May 1990;

b. Offer unreservedly its firm commitment to the rule of law within a system of constitutional guarantees, as well as adhering to Clause 20 of Slorc Declaration 1190 of 27 July 1990, which states unambiguously that responsibility to draw up the constitution of the future democratic state rests with elected representatives, and;

c. Participate in the honorable transformation of Burma's military into an Institution fully responsible to a democratically-elected government.

3. Be it also resolved that the FDL-AP call on all peoples of Burma to:

a. Seek a new national consensus based on human rights, democracy and respect for all peoples;

b. Condition all development assistance on concrete steps toward human rights and democratization.

c. Build a durable, just and lasting peace on the foundation of reconciliation;

d. Commit to sincere efforts to end drugs trafficking and the suffering caused by heroin addiction, and;

e. Implement urgent steps and long-term plans to protect Burma's environment

4. It finally resolved that the FDL-AP call on nations of the Asia Pacific Region in particular and the international community as a whole to:

a. Implement an immediate arms embargo on Burma to remain in effect until the transfer of power to a democratically-elected government there;

b. Encourage through dialogue and other peaceful means the transition to democracy in Burma;

c. Offer increased levels of humanitarian assistance to Burmese refugees;

d. Join a democratic government in Burma to end drug trafficking, and;

e. Cooperate fully with urgent steps and long-term plans to protect Burma's environment.

Press Release Issued 4 Sep

*BK1109081395 (Internet) BurmaNet News in English
8 Sep 95*

[Press Release of the Forum of Democratic Leaders in the Asia Pacific issued in Seoul, South Korea on 4 September 1995]

[FBIS Transcribed Text] An international arms embargo and immediate opening of comprehensive political dialogue in Burma were urged by participants at the Burma Seminar hosted by the Forum of Democratic Leaders in the Asia Pacific (FDL) here today.

A resolution adopted at the close of the two day seminar also calls for the honorable transformation of Burma's military to an institution fully responsible to the authority of a democratically-elected government.

Opening the seminar, FDL resident Co-president Dr. Kim Tae-chong called on Burma's military rulers to quickly restore democratic rule, a goal endorsed by the FDL's other Co-presidents Corazon Aquino, Oscar Arias, and Sonia Gandhi.

Participants from 20 countries (Australia, Bangladesh, Burma, Cambodia, Canada, Germany, India, Indonesian, Japan, Korea, Mongolia, Nepal, New Zealand, Norway, Philippines, Pakistan, Singapore, Thailand, United Kingdom, and USA) heard a special message from Daw Aung San Suu Kyi requesting continued FDL activities to promote democratization in Burma.

"We hope the FDL and its members can take a prominent role in Asia to raise awareness of the problems of Burma both in individual countries and on a regional basis," commented Dr. Sein Win, Prime

Minister of the National Coalition Government of Burma.

Several participants emphasized that Asian countries should assume a leading role in convincing the SLORC [State Law and Order Restoration Council], to give up power.

"A militaristic Burma serves no purpose whatsoever in promoting stability and growth in Asia," remarked Chee Soon Juan, Secretary General of the Singapore Democratic Party. "Even from a selfish standpoint, it would be in the interest of countries in the region to see democracy entrenched in Burma. There is no gain saying that few, if any, violent conflicts have arisen between democratic societies."

Suthin Nophaket, a member of Thailand's House of Representatives, urged the Association of Southeastern Asian Nations to take a higher profile and more positive role in promoting democratic change in Burma, saying, "ASEAN can act as a moderator to help resolve the situation in Burma and build confidence among the different parties."

The resolution adopted by the seminar also called on all peoples of Burma to engage in sincere efforts to end drugs trafficking and to protect Burma's environment.

"The FDL has renewed its commitment to work for democracy in Burma by all powerful means," said FDL Secretary General Kim Sang Woo. "This seminar has strengthened the network of people dedicated to this goal throughout the Asia-Pacific region."

On 1-2 December, the FDL will sponsor a conference in Manila, suggested by Aung San Suu Kyi, to discuss possible lessons for Burma of recent transitions from authoritarian to democratic rule.

ASEAN Officials Fail To Agree on Accession

*BK1409042295 Bangkok BANGKOK POST
in English 14 Sep 95 p 2*

[Report by Saritdet Marukkhathat]

[FBIS Transcribed Text] Phuket — Senior officials of the Association of Southeast Asian Nations yesterday failed to reach consensus on a formula enabling countries outside the region to accede to its Treaty of Amity and Cooperation and on the role of those nations in conflict resolution.

The issues were discussed on the second day of talks to prepare for the ASEAN leaders' summit on December 14-15.

ASEAN officials insist on keeping non-members out of its conflict resolution mechanism as stipulated by the treaty.

Regional powers are already engaged in security dialogue with ASEAN through the ASEAN Regional Forum.

The treaty is the main legal framework of ASEAN and advocates peaceful conflict resolution, mutual respect and non-interference. It provides for the setting up of a High Council to resolve conflicts in the region.

The provision has not been invoked since the treaty came into force in 1976.

M.R. Thep Thewakun, the permanent secretary at the Foreign Ministry, who chaired the preparatory talks, said ASEAN leaders would issue a declaration welcoming non-members "to associate" with the treaty.

The meeting has agreed in principle that non-ASEAN parties to the treaty will be referred to as associate members.

"This will contribute to the objective of ASEAN to strengthen regional security and stability," M.R. Thep said.

He added that ASEAN must continue discussing the role of non-ASEAN parties to the treaty, as it wanted to reserve rights in its decision-making process.

The senior officials from the seven countries remained divided on whether to adopt an all-new formula or to use Papua New Guinea's example as a guideline.

Papua New Guinea is the only country outside Southeast Asia to have acceded to the treaty.

Burma, Cambodia and Laos, which are among the 10 nations envisioned by the ASEAN founding fathers as part of the grouping, have acceded and are expected to become members within two years.

Australia, New Zealand and Russia have expressed interest in acceding.

One ASEAN official said that plans for the ASEAN leaders to call for non-members to recognise the treaty proved to be a burden for senior officials. They had to find the right formula in time for the December summit.

Other issues discussed at yesterday's meeting included the setting up of an ASEAN Council, the Southeast Asia Nuclear Weapons-Free Zone treaty, and a plan to restructure the grouping, all to be incorporated in the summit's declaration.

The summit's theme was "Towards One Southeast Asia."

Thailand has proposed a paper on ways to enhance the role of the ASEAN private sector and to promote its linkage with the governments.

Entitled "Promoting ASEAN Identity and Consciousness through Participation;" the paper follows up on a call made by Foreign Minister M.R. Kasemsamson Kasemsi for the setting up of an ASEAN Council at the annual meeting of the ASEAN foreign ministers in July in Brunei.

M.R. Thep said other ASEAN countries had agreed to the idea but had asked for more time to study the paper.

"The main objective is to enable people to have direct participation in ASEAN so that they feel they are part of the grouping," he explained.

ASEAN has about 40 nongovernmental organisations registered with its Jakarta-based secretariat, according to Deputy Permanent Secretary for Foreign Affairs Sarot Chawanawirat.

As for the long-proposed treaty on a nuclear weapons-free zone, M.R. Thep said ASEAN still needed to work on some details and wording, including the size of the zone.

The Foreign Ministry had to consult with other government agencies concerned before proposing ratification by the Prime Minister.

M.R. Thep commented that this might delay a move to have the ASEAN leaders ratify the treaty at their December summit.

Burma, Cambodia and Laos could ratify the document later.

"The delay is not due to lack of political will or determination," M.R. Thep insisted.

He said the ASEAN secretariat had proposed a plan to restructure its organisation, including how to strengthen cooperation and define the responsibilities between foreign ministers and their economic counterparts.

"It will be a long process," he said.

The proposed plan will be discussed when senior Foreign Ministry officials meet with their economic counterparts here tonight to study the declaration for the summit.

Australian, Malaysian Ministers on AFTA-CER

*BK1109111295 Melbourne Radio Australia
in English 0630 GMT 11 Sep 95*

[From the "International Report" program]

[FBIS Transcribed Text] The new group called AFTA-CER [ASEAN Free Trade Area-Closer Economic Rela-

tions] linking the ASEAN Free Trade Area with Australia and New Zealand was born on the weekend. However, one of its members has already warned that the group may be seen as divisive. Malaysia supports AFTA-CER but says countries outside the region, particularly other members of APEC [Asia-Pacific Economic Cooperation], may see it differently. In weekend meetings in Brunei, cooperation over a range of trade issues was agreed to, including customs laws and competition policies. Katherine McGrar reports from Singapore:

[Begin recording] [McGrar] The new group AFTA-CER may one day end up being a huge free trade area, but at the moment its goals are more modest — another meeting next year, and in the meantime moves to make business activity easier and to reduce conflicting regulations. Australian Trade Minister Bob McMullan:

[McMullan] I think that [word indistinct] immediately, that is at the end of the 12-month process, to do some smoother business operation. It will be easier to conduct adjustments and quarantine and expand the [words indistinct] common standards throughout the region, and I think we're also set to try something that could in time be even more significant.

[McGrar] Trade between Australia and New Zealand and ASEAN countries grew by 30 percent last year, and although there are no indications of just what this new interaction will mean in dollars, Sen. McMullan said it will make Australian business more competitive in Asia:

[McMullan] What it will do is make it easier for the growth that is just needed to carry on. I mean [words indistinct] as exports are growing at 20 percent a year, and I think this will make it easier for that to continue. It may give a little comparative advantage to our companies for allowing [them] to do even better than the competition.

[McGrar] There is, however, a subtext to this agreement. It's a new subregional group. There was a time when Malaysia's proposed other subregional group, the East Asia Economic Caucus [EAEC], was having trouble getting off the ground. Australia is against the EAEC, and repeatedly during this Asian tour, Sen. McMullan said he didn't recognize nor understand the rationale behind its creation.

The irony of this — how one subregional group could work while another may not — was not lost on Malaysia's trade minister, Rafidah Aziz. How could that

be, she wanted to know. In the midst of this comment at the post AFTA-CER news conference in Brunei, she warned that countries outside this region may see the new linkup as exclusive and divisive. Her comments have more to do with Malaysia's continual attempts to develop the EAEC than with any real concern for how

AFTA-CER is perceived. But more importantly perhaps, it shows that Malaysia is determined to try to push ahead its plan for an exclusive East Asia grouping despite continued opposition from Australia. [end recording]

Japan

Tokyo To Explain Middle East Peacekeepers Policy

OW1409104195 Tokyo KYODO in English
0942 GMT 14 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 14 KYODO — The government has sent representatives to the Middle East to explain to the commander of UN peacekeeping operations in the Golan Heights its view that Self-Defense Forces (SDF) personnel assisting in UN operations there should not transport arms, government officials said Thursday [14 September].

A Defense Agency official said the representatives, who are from the agency and the Foreign Ministry, were to meet with Maj. Gen. Johannes Kusters from the Netherlands, who heads the United Nations Disengagement Observer Force (UNDOF) based in Damascus, Syria.

Kusters has said he "cannot understand" the Japanese Government's insistence that SDF personnel can only participate in UNDOF activities if they are not required to transport weapons and ammunition.

The governing coalition formally decided on Aug. 29 that SDF personnel will go to the Israeli-occupied highlands in southwestern Syria in February to replace a Canadian contingent currently providing transport for UNDOF only on condition they not be required to carry arms.

The representatives will explain that the Canadian contingent also has not transported arms for other armed forces personnel participating in UNDOF, and seek understanding of the government's view that the terms for Japanese participation will not affect on-site UNDOF operations, the officials said.

Special Envoy Protests French Nuclear Test

OW1409042695 Tokyo KYODO in English
0412 GMT 14 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 14 KYODO — Japan's special envoy Nobuo Matsunaga has met French Foreign Minister Herve de Charette in Paris and protested France's resumption of nuclear testing in the South Pacific, a Japanese Government spokesman said Thursday [14 September].

In a 40-minute talk with De Charette on Wednesday, the emissary verbally relayed a message from Prime Minister Tomiichi Murayama to French President Jacques Chirac voicing strong regret over France's restarting of nuclear tests, Chief Cabinet Secretary Koken Nosaka told a news conference.

Matsunaga, a former ambassador to the United States, urged France's reversal of its decision to conduct a

series of nuclear experiments in the South Pacific until next May, Nosaka said.

"We are furious about what they did, and therefore we lodged a protest against it," he said, adding Matsunaga is scheduled to meet Chirac on Thursday.

Despite Tokyo's protest, Paris remains resolute on continuing its nuclear test blasts. Chirac has already made clear France will continue with its nuclear policy.

De Charette told Matsunaga that France has no intention to carry out nuclear tests once its series of planned underground tests are completed.

The French foreign minister also reiterated that France will sign a proposed comprehensive test ban treaty, expected to be concluded next year to ban all types of nuclear tests.

After a four-year nuclear testing moratorium, France blasted a nuclear device at Mururoa Atoll in the South Pacific on Sept. 5 amid a chorus of international calls for its cancellation.

In the meeting with De Charette, Matsunaga also pointed out that Japan and France have fostered cooperative relations in political, economic and cultural fields in the past and spoke of the need to cement the ties further, Nosaka said.

"The schism stemming from the latest nuclear test should not badly affect Japan-France relations. Both countries must strive to further strengthen their cooperative ties," Matsunaga was quoted as telling the French foreign minister.

De Charette is reported to have agreed to the Japanese envoy's contention.

Tokyo reacted angrily to the French nuclear test blast and decided to send Matsunaga to Paris so as to underline its strong opposition to nuclear testing.

Initially, France said it might reject the special envoy unless Japan's position over Finance Minister Masayoshi Takemura's participation in an international antinuclear rally in Tahiti is clarified. But it eventually agreed to accept Matsunaga.

Tokyo has repeatedly said Takemura took part in the parley in a private capacity, noting his action does not necessarily reflect the view of the Japanese Government.

Ejiri Rejects Boycotting French Products

OW1409041595 Tokyo KYODO in English
0352 GMT 14 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 14 KYODO — The head of the Japan Foreign Trade council

on Thursday [14 September] said he will oppose a campaign to boycott French products in protest against France's resumption of nuclear testing.

Koichiro Ejiri, who is also concurrent chairman of Mitsui and Co., said he "opposes French nuclear tests politically and socially, but business should not be involved."

He said the economy is moving globally over boundaries and people will and should buy good products.

Among Japanese trade industry groups, the Osaka Foreign Trade Association has asked member companies to refrain from handling French products.

Israeli Envoy on Murayama's Middle East Tour

*OW1309141595 Tokyo YOMIURI SHIMBUN
in Japanese 12 Sep 95 Morning Edition p 3*

[Interview with Israeli Ambassador to Japan Amos Ganor by YOMIURI SHIMBUN staff on 11 September; place not given]

[FBIS Translated Text] Israeli Ambassador to Japan Amos Ganor granted an interview to YOMIURI SHIMBUN on 11 September on the eve of a Middle East tour by Prime Minister Murayama. In the interview, the Israeli envoy stressed Japan's role in the Middle East peace.

[YOMIURI SHIMBUN] What do you think of the the Middle East tour by Prime Minister Murayama?

[Ganor] (Then) Prime Minister Kaifu toured the Middle East in 1990. At the time, he toured the region in connection with the Gulf crisis. It can be said that Prime Minister Murayama will make a formal tour of the Middle East as the Japanese prime minister. His visit to Israel will lay a most important guidepost in Israel-Japan relations.

[YOMIURI SHIMBUN] What role do you expect of Japan for a Middle East peace?

[Ganor] Japan and the European Union (EU) are playing a vigorous role. Japan's proposal for environmental problems is very creative.

[YOMIURI SHIMBUN] Japan will dispatch elements of the Self-Defense Forces to the Golan Heights on a UN Peacekeeping Operations (PKO) mission. What is your comment?

[Ganor] Japan will participate in the PKO through the United Nations. Though the Israeli Government has nothing to do with Japan's PKO participation in the Golan Heights, it greatly welcomes Japan's participation. In particular, Japan has no history of

colonizing any nation of the Middle East, and Japan is in an impartial and trustworthy position.

[YOMIURI SHIMBUN] What do you expected from Japan in Japan-Israel relations?

[Ganor] Israel's cooperation with Japan in the fields of industry and trade is supposed to bear much fruit. We welcome Japan's continued economic involvement in both Israel and the entire Middle East.

[YOMIURI SHIMBUN] Until now, Japan has taken the diplomatic stance of attaching importance to Arab nations. What is your view?

[Ganor] Though I do not want to be taken as a critic of Japan, Japan's past diplomacy has leaned toward Arab nations because of its dependence on them for oil. All nations have the right to choose their policies. Both Japan and Israel have deepened their relations while carrying out joint projects since the Madrid peace conference was held in 1991.

[YOMIURI SHIMBUN] Will Israel not join the nuclear Non-Proliferation Treaty (NPT)?

[Ganor] Our nation acknowledges the universal value of preventing nuclear proliferation. Our nation has the history of being besieged by hostile nations since it was founded. Our nation has deterred (attacks from hostile nations) by refusing to neither confirm nor deny its possession of nuclear weapons. Iran is suspected of developing nuclear weapons, and the suspicion itself is a threat to the world. The world should make an issue of it.

Tokyo To Extend Full-Scale ODA to South Africa

*OW1409120195 Tokyo YOMIURI SHIMBUN
in Japanese 11 Sep 95 Evening Edition p 1*

[FBIS Translated Text] The government decided on 11 September to start extending full-scale official development assistance (ODA) to South Africa. As a first step, it will provide a grant-in-aid of about 200 million yen this November, and undertake an investigation concerning a plan to improve the water service, which aims at providing drinking water for 2.3 million black people of that country. Japan's principle in granting ODA to South Africa is to rectify the economic disparities between whites and blacks and contribute to the rebuilding of the country. The government also plans to provide yen loans for such projects as the modernization of the urban commuter railways and improvement of water purification plants.

The ODA project to provide drinking water is expected to be carried out through the Japan International Cooperation Agency (JICA), which is in charge of Japan's

grant-in-aid projects. It aims at setting up a master plan in 20 months for building water supply systems which can supply potable water to 2.3 million black people living in a 20,000-square-km area (equivalent to the size of Shikoku Island in Japan) of the Magalies water supply district, located north of the nation's capital, Pretoria. The project includes plans for pipe laying, water analysis, and expansion of the water supply system's functions.

The master plan targets the year 2002 for building a water system capable of supplying 25 liters of water per person a day, considered the minimum requirement for survival. Based on the master plan, JICA will study whether there are any concrete water system improvement projects suitable for using Japan's ODA.

Japan's ODA to South Africa had not been carried out on an intergovernment basis due to that country's apartheid (racial separation). Japan only gave small-scale grant-in-aid to nongovernmental organizations (NGO) which support the black people.

However, since the Mandela administration, the first administration headed by a black president, was established after a general election in 1994, Japan decided to extend full-scale ODA, which used to be limited to small-scale grants-in-aid, and has announced its plan to provide \$300 million in two years.

Due to apartheid, most of the economic benefits of South Africa had gone to the mere 5 million white people out of the nation's total 38 million population. Water is available to the entire white society but is not available to over 60 percent of the 29 million black population, who have to buy water from the whites.

KEDO Members Agree on Talks With Pyongyang

*OW1409115695 Tokyo KYODO in English
1116 GMT 14 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 14 KYODO — Key members of an international consortium set up to supply nuclear reactors to North Korea agreed Thursday [14 September] to hold senior-level talks with North Korea in October to discuss details of plans to replace Pyongyang's reactors, a Foreign Ministry official said.

The executive board of the consortium, the Korean Peninsula Energy Development Organization (KEDO), agreed on the schedule in a meeting held in Tokyo, the official said.

But the exact date and site of the talks have not yet been decided and await arrangements with Pyongyang, he said.

Japan, South Korea and the United States are main members of KEDO which was formed in March to supply light-water reactors to North Korea under an historic nuclear deal signed last October between Pyongyang and Washington.

The first round of nuclear talks between North Korea and KEDO ended inconclusively in Kuala Lumpur earlier this week, with an agreement to meet again within a month.

Experts from the two sides are continuing with working-level talks in Kuala Lumpur.

The KEDO executives agreed that further expert-level talks with North Korea should be held later this month, possibly in Kuala Lumpur, the official said.

Under the U.S.-North Korea accord in Geneva, Washington promised to provide light-water reactors to Pyongyang, which are safer and produce less plutonium than graphite-moderated ones used by North Korea. Pyongyang in return pledged to freeze its nuclear development program.

According to diplomatic sources, the main sticking point in the latest Kuala Lumpur talks was the extent of supplies to North Korea.

North Korea reportedly asked the consortium to finance additional facilities such as electricity and port facilities.

Attending Thursday's executive board meeting were U.S. Ambassador-at-Large Robert Gallucci, South Korea's representative to KEDO Choi Tong-chin, Japan's representative Tetsuya Endo, KEDO chief Stephen Bosworth and other officials.

Nosaka Comments on Scope of Flood Aid to DPRK

*OW1409104495 Tokyo KYODO in English
0826 GMT 14 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 14 KYODO — Japan will decide "in a day or two" the scale of its emergency aid to flood-stricken North Korea, the government said Thursday [14 September].

"We believe we must provide humanitarian aid," although Japan has no diplomatic relations with North Korea, Chief Cabinet Secretary Koken Nosaka told a news conference.

"We would like to decide the final shape of our aid in a day or two" after coordinating views within the government and among the ruling coalition parties, he said.

Noting North Korea extended emergency aid to Japan after a massive earthquake in January, Nosaka said, "we

should naturally supply a due amount of assistance in return."

The UN Department of Humanitarian Affairs has reported recent floods, reportedly the worst to hit North Korea in 100 years, have left 500,000 of North Korea's 22 million people homeless.

DPRK Official Denies Rice Aid Gaffe Report

OW1409090795 Tokyo KYODO in English
0828 GMT 14 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 14 KYODO — A North Korean official has denied a South Korean magazine report which quoted him as saying Japan offered rice aid to Pyongyang as a form of apology for Tokyo's past deeds, Japan's ruling coalition sources said Thursday [14 September].

Kim Yong-sun, a secretary in the ruling Workers Party of Korea, also thanked Japan for the assistance, the sources said.

Kim expressed the thanks in a letter addressed to senior coalition officials, including former Foreign Minister Michio Watanabe who led a coalition delegation to Pyongyang in March and played a role in offering the rice aid for North Korea to help ease a food shortage there, they said.

Kim wrote that Japan has extended the assistance as an "expression of goodwill" from a "humanitarian stance," while calling the magazine report "sheer nonsense."

In response to the denial and gratitude, the tripartite ruling coalition is expected soon to resume discussions on a second batch of rice assistance as well as separate disaster aid to North Korea that was hit by floods in August, a senior coalition official said.

Japan agreed in June to supply 300,000 tons of rice to North Korea to make up for a food shortage there.

Later, a top government spokesman said Kim's expression of thanks in the letter marked the end of an emotional rift between the two nations and cleared the way for resumption of negotiations on a second batch of rice aid.

Chief Cabinet Secretary Koken Nosaka told a news conference Tokyo views the account as sufficient, saying, "we should give credence to what he said."

Official: APEC Session Ends Without Accord

OW1309150595 Tokyo KYODO in English
1452 GMT 13 Sep 95

[FBIS Transcribed Text] Hong Kong, Sept. 13 KYODO — Senior officials from the 18 members of the Asia-Pacific Economic Cooperation (APEC) forum ended a

two-day session Wednesday [13 September] without an agreement on trade and investment liberalization principles.

At a press briefing, Japanese delegate Hidehiro Konno said the forum "had very thorough exchange of useful information on APEC liberalization and facilitation...We made great progress, but it is difficult to measure."

The fourth special session centered on the general principles of the "action agenda" for APEC trade and investment liberalization and facilitation.

"We managed to visit the entire universe of liberalization and facilitation," said Konno, adding there was no time to discuss the economic and technical cooperation issue.

Japan, currently chairing APEC, circulated the second draft action agenda to APEC's 18 member economies last week for consideration at this meeting.

Within the agenda, some principles have been hotly debated, specifically comprehensiveness and nondiscrimination but no progress was made in these areas, Konno said.

The principle of comprehensiveness would commit APEC members to liberalize all sectors, including agriculture, which is politically sensitive for some members, including Japan.

When questioned over the pressure to produce results amid criticism of APEC's credibility, Konno said, "we have worked hard to meet our requirement, but feel no risk of losing credibility."

The next senior officials meeting will take place in Tokyo on Oct. 9, where the forum plans to finalize the general principles of the agenda.

The second draft of the agenda is almost unchanged from the first version, which was distributed in June this year.

It contains nine general principles, eight from the first draft and a new addition.

The principles include comprehensiveness, consistency with GATT/WTO agreements, nondiscrimination, cooperation, simultaneous process and transparency.

The members of APEC, which was launched in 1989, are Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, the Philippines, Papua New Guinea, Singapore, Taiwan, Thailand and the United States.

APEC's Difficulties Meeting Deadline Previewed

OW1409122995 Tokyo KYODO in English
1210 GMT 14 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 14 KYODO — The Asia-Pacific Economic Cooperation (APEC) forum will face difficulties in meeting self-imposed deadlines for removing barriers to imports and investment, a senior Foreign Ministry official said Thursday [14 September].

The official, speaking on condition of anonymity, told a press briefing, "It will be hard to accomplish complete liberalization by the (target) years of 2010 and 2020 as various countries and territories are gripped by difficult problems."

The official was speaking about the deadlines of 2010 for developed countries and 2020 for developing countries that were agreed among APEC members in their 1994 meeting in Bogor, Indonesia.

His remarks followed a standoff at a meeting in Hong Kong of high-ranking officials from APEC members Tuesday and Wednesday.

Japan and South Korea demanded that some items in the agricultural sector be exempted from obligations to remove barriers, while many countries including the United States argued that no exemptions should be tolerated.

The ministry official suggested the U.S. position is contradictory as it has kept high tariffs on some of its farm products intact on the basis of the General Agreement on Tariffs and Trade (GATT) "waiver" provisions.

Under the provisions of the GATT, now replaced by the World Trade Organization (WTO), the international trading community has waived its demands that the U.S. bring down tariffs on peanuts, milk products, sugar and other products.

The import restrictions on these agricultural products were replaced with tariffs under GATT's Uruguay Round multilateral agreement.

"The United States is also imposing high rates of tariffs on items that are subjected to the waiver privileges," he said.

Official on Major Rice Quota to U.S., Australia

OW1409105295 Tokyo KYODO in English
1039 GMT 14 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 14 KYODO — Japan will allocate a major part of its planned import quota of foreign rice to the United States and

Australia under its new allocation mechanism, food agency officials said Thursday [14 September].

The mechanism, called the General Import Formula, was devised by the agency after Japan agreed to ease its rice import ban in line with the "minimum access" deal under the General Agreement on Tariffs and Trade (GATT), the officials said.

Japan will also purchase some rice from Thailand under the formula, they said.

They said the selection of the countries of origin were made in view of the findings of a survey of preferences among consumers, restaurant operators, wholesalers and retailers.

Under the 1993 Uruguay Round deal, Japan vowed to import a total of 379,000 tons of rice, 8 percent of the domestic market, in fiscal 1995 ending next March.

Imports under the General Import Formula account for 374,000 tons, a great majority of the agreed import amount.

The new two-tier import system — the General Import Formula and Simultaneous Buy and Sell (SBS) formula — allows the agency to buy all imported rice and sell it to wholesalers. The SBS formula accounts for 5,000 tons in the fiscal year.

The officials said the survey found that demand for Californian rice is strong among consumers and restaurant operators, while Australian rice is popular with wholesalers and retailers.

Food-processing companies expressed interest in purchasing rice from Thailand and China. But China was dropped from the list of the countries of origin in view of uncertainties over its crop situation, they said.

Under the General Import Formula, the food agency will hold later this month a first tender for some 100,000 tons of rice among designated importers who want to sell to the agency after declaring the amount of rice it plans to buy from each country of origin, they said.

The agency plans to conclude contracts for some 90 percent of the planned 379,000-ton imports in a series of tenders, they added.

Takemura on Forex Stability, Economic Package

OW1409071195 Tokyo KYODO in English
0632 GMT 14 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 14 KYODO — The recent drop of the yen has farther to go, as the currency remains in "the process of reversal" from

its previous record highs, Finance Minister Masayoshi Takemura said Thursday [14 September].

He also said the economic stimulus package the government is to announce next week will seek foreign exchange stability through macroeconomic policy and other measures.

The dollar surged over the 103 yen line Thursday in Tokyo for the first time in 15 months, trading at 103.40-42 yen at noon, but easing back to near the 103 yen line after 3 P.M.

The dollar sank in April to a postwar low of 79.95 yen at one point.

MTI Reports Corporate Earnings Increasing

*OW1409083195 Tokyo KYODO in English
0758 GMT 14 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 14 KYODO — Japanese corporate profits increased in the April-June quarter from a year earlier for the fourth straight quarter, though those of nonmanufacturers fell back for the first time in four quarters, the Finance Ministry said Thursday [14 September].

Continued growth in sales and profits shown in a quarterly survey of corporate activities resulted from companies' rationalization and restructuring efforts, rather than recovering demand, as the nation's economy remains at a standstill, a ministry official said.

The survey for the second quarter of 1995 showed that companies' pretax profits grew 6.7 percent from a year before, with those of manufacturers up 20.2 percent and nonmanufacturers down 0.6 percent.

Manufacturers posted the fifth consecutive quarter of higher sales from year-earlier levels, gaining 4.9 percent, while nonmanufacturers' sales rose 4.6 percent, for the sixth straight quarter of growth.

Combined sales increased 4.7 percent, for the sixth consecutive quarter of gains from year-earlier levels.

Corporate capital spending rose for the first time in 14 quarters, growing 1.9 percent.

Capital investment by manufacturers increased 10.7 percent, up for the second straight quarter. The double-digit growth was the first in 16 quarters since the April-June period of 1991, when capital spending rose 18.8 percent.

In contrast, nonmanufacturers' capital investment fell for the 11th quarter in a row, declining 2.1 percent.

Considering an improvement in corporate confidence, as well as continued growth in earnings, as well as a series of pump-priming packages since April, the uptrend in

capital spending on a broad front should continue, the official said.

The survey covered 24,806 companies capitalized at 10 million yen and more, excluding financial institutions and insurance companies. Of these, 20,495 firms, or 82.6 percent, responded.

By industry, steelmakers posted pretax profits of 52.3 billion yen in the quarter, compared with pretax losses of 94.9 billion yen a year earlier, on 8.7 percent higher sales.

Pretax profits of electrical machinery makers rose 56.0 percent from a year before on 7.3 percent higher sales, while those of chemical makers increased by 31.2 percent on 2.9 percent higher sales.

In contrast, food makers saw a 17.2 percent yearly fall in pretax profits on 1.0 percent higher sales, and oil and coal product makers' pretax profits fell 9.3 percent, with sales slipping 0.2 percent.

Construction firms' pretax profits slipped 22.1 percent, despite a 1.8 percent rise in sales.

Capital investment by electrical machinery makers increased by 26.0 percent from a year earlier thanks to strong demand for semiconductors and liquid crystal displays, the official said.

Steelmakers' capital spending rose for the first time in 12 quarters, climbing 28.0 percent.

In contrast, capital investment by construction firms fell for the fourth quarter in a row, shrinking 18.2 percent.

Hashimoto Welcomes Yen's Fall Against Dollar

*OW1409040295 Tokyo KYODO in English
0321 GMT 14 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 14 KYODO — Trade Minister Ryutaro Hashimoto on Thursday [14 September] expressed a sense of satisfaction over the fact that the yen rapidly dropped to the 103-yen level against the dollar in the morning.

When questioned about the yen's steep loss of ground against the dollar, Hashimoto told reporters he hopes the current yen quotation level continues.

Meanwhile, Hashimoto hoped the economic package, which is to be compiled next Wednesday, will be enough stimulant to uphold the yen at its current level against the dollar.

Housing Lenders Irrecoverable Loans Examined

OW1409041395 Tokyo KYODO in English
0349 GMT 14 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 14 KYODO — Irrecoverable loans held by the nation's eight ailing housing loan companies have reached 7.5-9 trillion yen, which is sharply higher than the anticipated 4.6 trillion yen, Finance Ministry sources said Thursday [14 September].

The amount of bad loans connected to real estate deals was compiled by a Finance Ministry task force, which has carried out on-the-spot inspections of the troubled nonbank companies since mid-August.

The results of the survey are to be released at a meeting with a team of the three coalition parties in charge of financial and securities affairs later in the day, the sources said.

The eight housing loan firms, which include Nippon Housing Loan Co., Japan Housing Loan Inc., Housing Loan Service Co. and Jyuso Inc., have incurred a whopping burden of nonperforming loans in the wake of the bursting of the so-called asset-inflated "bubble economy" of the late 1980s.

The Finance Ministry is to ask creditors like commercial banks and life insurers, which founded such nonbank money lenders, to decide on whether the financially troubled companies will continue to exist or not on the basis of the latest figures, the sources said.

Survey Shows Support for Cabinet at Record Low

OW1409112395 Tokyo KYODO in English
0824 GMT 14 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 14 KYODO — Support for the cabinet of Prime Minister Tomiichi Murayama fell to 37.0 percent this month from 38.8 percent in June, a KYODO NEWS SERVICE survey released Thursday [14 September] showed.

The survey, conducted Sept. 9-10 through interviews, shows that the cabinet's support rating dropped by a slight 1.8 percentage points since the previous survey June 24-25 to the lowest level since the government took office in June last year.

The percentage of people not supporting the Murayama administration increased 4.2 percentage points in the same period to reach 55.2 percent, the largest ever in KYODO's surveys over 14 months.

The survey result could reflect a perceived lack of leadership on the part of the prime minister, the governing coalition's failure to garner many votes in July's House of Councillors election, and confusion within the main

coalition partner, the Liberal Democratic Party (LDP), over who to choose as its president.

The most commonly cited reason for supporting the current cabinet was the absence of a suitable alternative to Murayama as prime minister. This accounted for 40.5 percent of the reasons cited, up 1.1 percentage points over the previous survey.

Among those who said they do not support the cabinet, 40.3 percent said Murayama does not offer sufficient leadership.

This was up 6.7 percentage points over the previous survey. It was the largest percentage for this reason since the formation of the cabinet.

The Murayama administration groups his Social Democratic Party (SDP), the LDP and New Party Sakigake, an LDP splinter group.

The survey also shows that support for the major opposition Shinshinto (New Frontier Party) has increased markedly to reach 21.6 percent, the best showing for the party since its formation in December last year.

The LDP also garnered 32.9 percent, its biggest support rating since the birth of the coalition administration of former LDP Prime Minister Morihiro Hosokawa in 1993, which ended the LDP's decades-long grip on power.

A breakdown of support ratings for the coalition parties compared to the previous survey shows the LDP increased its rating by 2.5 percentage points to 32.9 percent, the SDP dropped 0.6 point to 10.6 percent, and the Sakigake support rating grew from the previous 3.5 percent to 5 percent.

Chief cabinet secretary and SDP member Koken Nosaka said the newly formed cabinet would "take seriously" the slight drop in support.

The survey is the result of interviews with 3,000 men and women aged 20 or over conducted at 250 places around Japan, of whom 1,965 responded. Men formed 49.0 percent of the respondents and women 51.0 percent.

Kubo's Remarks on Premier's Fate Criticized

OW1409094795 Tokyo KYODO in English
0900 GMT 14 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 14 KYODO — A senior coalition official's remark that Prime Minister Tomiichi Murayama is likely to resign prior to the next general election for the House of Representatives is "quite inappropriate," a government spokesman said Thursday [14 September].

Chief Cabinet Secretary Koken Nosaka was referring to a comment by Social Democratic Party (SDP) Secretary General Wataru Kubo earlier Thursday that Murayama, who is SDP chairman, refuses to become the head of a planned new party to succeed the SDP and therefore has virtually no power to dissolve the lower house.

Kubo said the general election may be contested after the compilation late this year of the fiscal 1996 national budget.

On Wednesday, Murayama expressed displeasure over another reported remark by Kubo that the premier may leave office at the end of this year. Kubo, the SDP's No. 2 man, said he was misreported.

SDPJ Committee on Action Plan for New Party

*OW1409023595 Tokyo KYODO in English
0213 GMT 14 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 14 KYODO — The Central Executive Committee of Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) [of Japan, SDPJ] on Thursday [14 September] debated a draft action plan that calls for a new party with an ideology of "creative development of the spirit of the constitution."

The plan, to be offered at the party's extraordinary meeting set for Sept. 21, calls for the establishment of a new party in late October in order for party members to "battle under the flag of a new party in the next general election."

The action program reasoned that the new party would be formed with SDP members as its nucleus and proposed initiating a signature drive for the creation of the new party about one month after next week's SDP meeting.

The plan also stressed the new party should also seek a broader base of popular support in order to liven it up.

It also urged that efforts be made to recruit members of the New Party Sakigake and other "democratic liberals," such as former Hokkaido Gov. Takahiro Yokomichi into the new party.

The action plan described the new party as a "network" of "different political influences," thus rejecting the current centralization of power.

North Korea

South Criticized for Calling North 'Main Enemy'

*SK1409061595 Pyongyang KCNA in English
0541 GMT 14 Sep 95*

["Unpardonable Treacherous Act" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 14 (KCNA) — The puppet Defence Ministry of South Korea openly defined the North as a "main enemy" in the soon-to-be-published "White Paper on Defence" (1995-1996), according to a report.

This is an open revelation of their wild ambition for "unification by prevailing over communism" by force of arms.

Such a deed of the puppets who define the dialogue partner as the "main enemy" behind the scenes while paying lip-service to "dialogue" fully shows that they are a group of anti-national elements against reunification who seek only confrontation and division.

What the South Korean puppets seek in defining the North as the "enemy" is to justify their criminal war manoeuvres against the North and cover up their treacherous crimes against the nation by inciting an extreme antagonism against the fellow countrymen among the South Korean people.

This is illustrated by the fact that the Kim Yong-sam group worked out next year's defence budget of 12,260 billion won, or 10.7 percent above this year's.

It is ridiculous of the Kim Yong-sam group who unhesitatingly defined the fellow countrymen as "main enemy" to talk about "dialogue between the North and the South."

The Kim Yong-sam group is a clique of traitors who have no qualification or justification to talk about reunification and dialogue.

It will certainly face a stern punishment by the nation for its policy of confrontation and separation.

South's 11-12 Sep 'Provocations' Denounced

*SK1409131395 Pyongyang Korean Central
Broadcasting Network in Korean
0854 GMT 14 Sep 95*

[Unattributed talk: "Intolerable Military Provocation Commotions by the Puppets"]

[FBIS Translated Text] The Kim Yong-sam ring is straining the situation in the country to an extreme by continually perpetrating military provocation commotions that run counter to the national aspiration for

peaceful reunification. This is well revealed by the South Korean puppets' recent maneuvers to perpetrate grave military provocations against us along the Military Demarcation Line [MDL] at large and in the DMZ.

As has been reported, the Kim Yong-sam ring brought armed rascals and heavy weapons into the DMZ on 11 and 12 September, committing military provocations against us.

On 11 September, the puppets brought 90-mm recoilless guns and 12.7-mm large-caliber machine guns to a military police guardpost in the DMZ along the central front; on 11 and 12 September, they called out the puppet army rascals squatting in the DMZ in the western front, and had them take positions and aim at a guardpost on our side with the 90-mm recoilless guns and 12.7-mm large-caliber machine guns they had brought and installed for long hours, thus inspiring a tense and violent atmosphere of confrontation.

Meanwhile on 11 September, some 100 armed rascals, who trooped into the DMZ along the central front, went recklessly around this area in an offensive operational exercise of northward invasion.

At the same time, in acts of military confrontation they perpetrated in the DMZ along the central and western fronts, the puppets conducted a provocative war rehearsal for a northward invasion via the sky. On 11 September, the puppets flew a large number of fighter-bombers and assault planes, and conducted a powder-reeking surprise attack strike exercise for northward invasion in the skies over Anmyondo, Oeyondo, and Changdong. On 12 September, they dispatched some 40 puppet air force fighters and frenziedly conducted an air-support strike exercise for the puppet mechanized infantry units mobilized in the ground offensive operational exercise in this area.

Prior to this, the puppets carried commandos in some 10 puppet army cargo planes over the Sinchon area in Paju County, dropping them there; they perpetrated a war rehearsal aimed at infiltrating into our strategic inner area.

In addition, some 30 armed helicopters of the puppet army dispatched into the skies over the front area flew around low over the Munsan and Yonchon area, conducting missile location and strike exercises against our facilities in the front.

Puppet air force fighters, which flew around in an aerial war rehearsal against the northern half of the Republic over South Korea on 11 and 12 September, numbered several hundred.

In the meantime, the puppets conducted a mobile deployment exercise and artillery shelling, seriously provoking us in the front area.

On 11 September, the South Korean warmongers mobile-deployed some 20 military vehicles towing 105-mm guns in the area of Majong-ri, Paju County, and some 30 military vehicles loaded with some 500 armed rascals and war equipment in Kumsan-ri in the same county.

On 12 September, a group of the puppet army heavy tanks mobile-deployed on the border of Kunpo-ri, Paju County, rapidly advancing toward the MDL along the road on the southern shore of the Imjin River, firing some 50 tank shells.

The military provocations they perpetrated on two days on 11 and 12 September while conducting the provocative aerial war exercise for northward invasion, mobilizing some 900 fighters, prove that they are the intentional and planned maneuvers of the Kim Yong-sam ring which schemes to perpetrate some shocking incident and commit a military adventure, using it as a pretext, and that their war frenzy has reached an extreme stage.

Not to be overlooked is the fact that in the puppets' so-called defense white paper to be published soon, they openly defined us as a main enemy, and are habitually engaged in reckless military provocation maneuvers while inspiring extreme hostility against their fellow countrymen.

Because of the reckless aggressive war maneuvers of the South Korean puppets, a dangerous situation prevails on the Korean peninsula in which war could break out at any time. The officers and men of the heroic People's Army and all the people are keenly watching their every movement. If the Kim Yong-sam ring continues to bring the situation on the Korean peninsula to a dangerous phase by bringing heavy weapons into the DMZ and conducting war rehearsals, despite our repeated warnings, our People's Army will never pardon the provokers.

KCNA Reports on 'Provocative' 'War Exercise'

SK1409052695 Pyongyang KCNA in English
0435 GMT 14 Sep 95

[FBIS Transcribed Text] Pyongyang, September 14 (KCNA) — The South Korean puppets staged a provocative aerial war exercise against the North in the skies above Anmyon Islet, Oeyon Islet, Sangdong, Chunchon and Kapyong of South Korea on September 11 and 12 with the mobilisation of scores of fighter

planes of the puppet airforce, according to military sources.

Earlier, more than 10 transport planes of the puppet army staged a war drill aimed at infiltrating into strategical in-depth areas of the North, parachuting "commandoes" in the sky above Paju County of South Korea. And over 30 military helicopters of the puppet army staged an exercise of locating and making a missile strike at the targets of the North in the skies above forefront areas.

Fighter planes of the puppet airforce involved in the aerial war exercises in the skies above South Korea on September 11 and 12 numbered more than 900.

On the 11th, the puppets moved over 20 military vehicles trailing 105 mm artillery pieces and more than 30 military cars loaded with some 500 armed bandits and war materiel to Paju County for deployment.

The frantic war racket of the Kim Yong-sam group is a premeditated move to find a pretext for the maintenance of their "power" in coiling up the military tension.

Radio Denounces Japan's Drive To Join UNSC

*SK1309235495 Pyongyang Korean Central
Broadcasting Network in Korean
1224 GMT 12 Sep 95*

[Commentary by Yun Pyong-son: "An Impertinent Act Above One's Position"]

[FBIS Translated Text] Japan is desperately trying to realize its ambition to become a political power.

According to reports, during a meeting recently held in a hotel in Tokyo, Ryutaro Hashimoto, Japanese minister of international trade and industry, indicated Japan's intention to actively campaign for permanent membership on the United Nations Security Council [UNSC] by saying Japan would have to refuse many countries' advice for it not to become a permanent member of the UNSC.

Meanwhile, Junichiro Koizumi, former Japanese minister of posts and telecommunications, also stated in a recent meeting that he will discuss Japan's attempt to become a permanent member of the UNSC if he is allowed to stand for election as a leader of the Liberal Democratic Party of Japan.

This is an indiscreet act aimed at obtaining permanent membership on the UNSC and plainly shows how far the degree of Japan's impertinent attempt has reached.

The Japanese minister of international trade and industry spoke as if someone has advised Japan to become a

UNSC permanent member; this is a brazen distortion of the reality and a ridiculous act.

As everyone knows, after setting a goal to become a permanent member of the UNSC this year, the 50th anniversary of the founding of the United Nations, Japan persistently maneuvered in vain during the 49th UN General Meeting held in September 1994 to disgrace itself in public. This was because most countries in the Asia-Pacific region opposed Japan's impertinent maneuver in the UN general meeting.

Over a year has passed since then, but the situation has not changed at all. Many countries, including Asian countries, still oppose Japan's accession to permanent membership on the UNSC.

The UNSC is an important organ of the United Nations, whose mission is to guarantee peace and security for the world; the permanent members of the UNSC have an important responsibility. A country must win the international community's confidence and support to become a permanent member of the UNSC. Japan, however, has lost the confidence of the international community. Japan is a country with a criminal history. In the past, the Japanese imperialists invaded many Asian countries, including Korea, and brought immeasurable misfortune and disasters to the people in this region.

Now, 50 years after Japanese imperialism was defeated, the Asian people still feel strong indignation at the crimes committed by the Japanese imperialists and demand Japan's sincere apology, compensation, and reparation. However, Japan has refused to recognize its history of crimes and, rather, tried to deny them.

The Japanese minister of international trade and industry encountered strong protests and was denounced by people at home and abroad last year because he stated that it is difficult to regard the Pacific war as a war of invasion.

When one denies the past, one intends to repeat the past at any point. In fact, Japan not only refuses to liquidate the disgraceful past but expedites its overseas expansion to repeat it. While denying its past crime of invasion and accelerating maneuvers to become a military power and for nuclear armament, Japan is trying to become a permanent member of the UNSC, whose mission is to maintain peace and security in the world. Japan's behavior is an impertinent act beyond its position.

We can clearly guess how Japan — which looks down on other countries in a high and mighty manner while boasting of being an economic power and failing to clear up its past — will act if it becomes a permanent member of the UNSC. Japan intends to attain supremacy over the world by exercising its political and military

influence in resolving international issues as a military and political power after becoming a permanent member of the UNSC. This is why it is desperately trying to obtain permanent membership on the UNSC.

However, countries in the Asia-Pacific region insist that Japan, which denies its past crimes, should not become a permanent member of the UNSC. Japan should be correctly aware of its position and should act discreetly. Japan can never win the confidence of the international community unless it liquidates its past. What Japan must do now is depart from the past by making a sincere apology for its disgraceful past and making compensation and paying reparations.

Tokyo Hosts Chongnyon 17th Congress

Opening of Congress Cited

SK1409052195 *Pyongyang KCNA in English*
0503 GMT 14 Sep 95

[FBIS Transcribed Text] Tokyo, September 13 (KNS-KCNA) [dateline as received] — The 17th Congress of the General Association of Korean Residents in Japan (Chongnyon), a proud organisation of overseas Koreans of the Democratic People's Republic of Korea, began at the Korean House of Culture in Tokyo on September 13.

The congress is a meeting of weighty importance, a landmark to hold in high esteem the great leader President Kim Il-song as the sun of chuche, implement the historic letter sent by the great leader Comrade Kim Chong-il to Chongnyon and Koreans in Japan on the occasion of the 40th anniversary of Chongnyon, further increase Chongnyon organisation to carry out its historic tasks of the new era under his guidance and put the movement of Koreans in Japan on a new higher stage.

Placed on the platform of the meeting hall were portraits of President Kim Il-song and Comrade Kim Chong-il.

Introduced at the congress was a silk banner sent in the joint name of the Central Committee of the Workers' Party of Korea, the Central People's Committee of the Democratic People's Republic of Korea and the administration council of the DPRK.

Messages of greetings from the DPRK Central People's Committee, public organisations and many institutes in the homeland were read as well.

Han Tok-su, chairman of the Chongnyon Central Standing Committee, made an address of greetings.

Ho Chong-man, chief vice-chairman of the Chongnyon Central Standing Committee, delivered a report on the work of the Chongnyon Central Committee "On

developing movement of Koreans in Japan on to new higher stage under changed circumstances."

Attending the congress as guests were Wataru Kubo, Social-Democratic member of the House of Councillors and secretary general of the Japan Social-Democratic Party; Kazuo Tanigawa, Liberal Democratic member of the House of Representatives and acting secretary general of the Japan Liberal Democratic Party and former director-general of the Defence Agency; Yukio Hatoyama, member of the House of Representatives from the New Party Sakigake and secretary general of the Japan New Party Sakigake; and Rosho Hayashi general director of the Japan-Korea Cultural Interchange Association and former rector of Taisho University, who made congratulatory speeches.

The congress continues.

Official Delivers Report

SK1409154095 *Pyongyang KCNA in English*
1535 GMT 14 Sep 95

[FBIS Transcribed Text] Tokyo, September 13 [date as received] (KNS-KCNA) — Ho Chong man, chief vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), delivered a report "On Developing Movement of Koreans in Japan on to New Higher Stage Under Changed Circumstances" at the 17th Congress of Chongnyon which began in Tokyo on September 13.

The reporter said the 17th Congress of Chongnyon will review the work done after the 16th Congress and discuss and decide on action programme to embody in an all-round way the highly important letter of the great leader Marshal Kim Chong-il in reliance upon the historic lesson from 40-year-long course traversed by Chongnyon.

The last three years after the 16th Chongnyon Congress, he noted, were a period of the most severe trials and of the greatest events for not only the Korean nation but Chongnyon and Koreans in Japan as well as a historic period of indomitable struggle and shining victories.

In this period the Korean people unexpectedly lost the great leader Generalissimo Kim Il-song, whom they acclaimed and held in high esteem for the first time in the history spanning 5,000 years, Ho Chong-man said, and continued:

"Led by respected Marshal Kim Chong-il, who has the same idea, leadership ability and virtues as Generalissimo Kim Il-song had, we could rise up, changing the greatest sorrow into a thousand-fold strength and courage.

"In the period respected General Kim Chong-il turned grim adversity into favourable circumstances to achieve the eternal victory of the *chuche* cause.

"Respected Marshal Kim Chong-il with rare intelligence, matchless grit and superb guidance shattered to pieces the anti-DPRK campaign of international reactionaries, led the DPRK-U.S. talks to a victory, opened up a new prospect of the normalisation of diplomatic ties between the DPRK and Japan and defended the dignity and sovereignty of the country with credit.

"This was a great victory which could be won only by respected General Kim Chong-il, an outstanding leader of the era of independence and an iron-willed brilliant commander; it was a historic event like a miracle which demonstrated that no force on earth can match the potentials of *chuche* Korea with the singlehearted unity of the leader, the party and the masses."

Ho Chong-man went on to say that while leading the *chuche* cause to a brilliant victory, day and night, the respected general took warm care of Chongnyon and Koreans in Japan with infinite trust in and love for them, always remembering them.

He said the greatest achievement gained in the period under review is that the conviction to hold in high esteem the great leader Generalissimo Kim Il-song for all ages and remain faithful to the leadership of respected Marshal Kim Chong-il was settled in the minds of the Chongnyon officials and Koreans in Japan.

Another success was that the Chongnyon organisation was firmly defended from political suppression on the part of reactionaries within and without and developed into patriotic ranks so that it forms a harmonious whole with the compatriots, he said, adding:

"Chongnyon was so firmly built up that it has defended the rights and interests of Koreans in Japan and become a maternal embrace representing the homeland.

"A signal progress has been made in national education, work to contribute to the prosperity and development of the country and its reunification and external activities.

The reporter said that in hearty response to the historic letter sent by the respected general to Chongnyon and Koreans in Japan on the occasion of the 40th anniversary of Chongnyon, Koreans of the new generation should play a pivotal role to strengthen and develop Chongnyon into a mass patriotic organisation, convert Chongnyon activities into a massive patriotic drive and put the movement of Koreans in Japan on a new higher stage.

The reporter quoted Marshal Kim Chong-il as saying:

"Only when it strikes its roots into broad segments of people and enjoys their active support and trust, can Chongnyon demonstrate its indestructible strength."

He further said:

"Koreans of the new generation should be trained to be hardcore members of Chongnyon patriotic forces and all Koreans in Japan cherish the *chuche* idea, the idea of believing in the people as in heaven and patriotism as firm world outlook and outlook on life and bear in mind the idea of national independence, the Korean spirit, the soul of the nation."

The reporter called for building Chongnyon as a mass patriotic organisation deeply rooted among the Koreans in Japan, putting greater efforts into national education to train the younger generation into successors to the patriotic cause and defending the rights and life of the 700,000 Koreans in Japan.

The reporter stressed the need to unite broad segments of Koreans in Japan under the banner of the great unity of the whole nation, increase and develop the national reunification movement into a patriotic movement of the 700,000 Koreans in Japan and further strengthen the national ties and unity with the five million Koreans in other countries.

He said that Koreans in Japan should have a warm affection for their country, their motherland, make great contributions to its prosperity and development and increase the scope of foreign activities under the idea of independence, peace and friendship.

He pinpointed tasks to establish a firm system of embodying the idea and leadership of respected marshal Kim Chong-il within Chongnyon and build the organisation with officials loyal to him.

Editorial Comments on Congress

*SK1409120795 Pyongyang Korean Central
Broadcasting Network in Korean
0110 GMT 13 Sep 95*

[NODONG SINMUN 13 September editorial: "We Warmly Congratulate the 17th Congress of the General Association of Koreans Residing in Japan"]

[FBIS Translated Text] Amid circumstances in which all functionaries of the General Association of Koreans Residing in Japan [Chongnyon] and all Korean compatriots in Japan are upholding in their hearts the historic letter "On Developing the Movement of Koreans Residing in Japan to a New High Stage," which the great leader [yongdoja] Comrade Kim Chong-il sent on the occasion of the 40th anniversary of the founding of

Chongnyon, and are unanimously rising up in the struggle to implement the letter, we greet the 17th Congress of Chongnyon today.

Upholding the teachings left by the great leader Comrade Kim Il-song, the congress is to discuss and decide on the action policy and measures of Chongnyon and Korean residents in Japan in order to extensively implement the programmatic task elucidated by the great leader [yongdoja] in his historic letter.

People in the fatherland warmly congratulate the 17th Congress of Chongnyon, which will provide detailed policies for Koreans in Japan who have entered a new stage of development, and at the same time, will extend warm compatriotic greetings to 700,000 Korean compatriots in Japan.

The great leader [yongdoja] Comrade Kim Chong-il has indicated: I highly appreciate Chongnyon for the great achievements it has registered for the fatherland and the nation by surmounting all sorts of difficulties and trials, thus outstandingly performing its honorable mission.

The situation as it has developed since the 16th Congress of Chongnyon has been unprecedentedly grave due to the frantic maneuvers by reactionaries at home and abroad to crush the Republic and due to their schemes against Chongnyon.

However, Chongnyon functionaries and Korean residents in Japan have traversed the single road of victory without the slightest degree of trepidation by struggling, thus breaking through all difficulties and trials, and always with the firm faith that there is nothing to fear because the great leader Comrade Kim Chong-il is leading and looking after them.

Upon receiving the news of the great leader Comrade Kim Il-song's sudden death last year, functionaries and Korean residents in Japan could not repress their heart-breaking sadness, but instead made their firm determination to realize his lifetime will and behest without fail. Before the spirit of the departed great leader Comrade Kim Il-song, they vowed again and again their determination to uphold the great leader Comrade Kim Chong-il and to build Chongnyon organizations into chuche-oriented overseas organizations.

By significantly commemorating the 50th anniversary of the founding of the Workers Party of Korea, the 50th anniversary of national liberation, and the 40th anniversary of the founding of Chongnyon, and by vigorously waging the massive patriotic movement to greet the 17th Congress of Chongnyon as a historic congress which sets a milestone in [word indistinct], embodying the respected and beloved Comrade Kim Chong-il's historic letter in the movement of Koreans

residing in Japan, Chongnyon has effected a new turn in firmly establishing the ideological system of chuche.

Today, Chongnyon functionaries and Korean residents in Japan are more firmly preparing themselves to become chuche-type overseas Koreans and ardent patriots who are infinitely loyal to the great leader [suryong] and the respected and beloved Comrade Kim Chong-il. This is not only the most noble fruition that Chongnyon has achieved, but it also constitutes a firm guarantee that makes it possible to strengthen and develop Chongnyon into a patriotic overseas organization that advances along the leadership of the great leader Comrade Kim Chong-il while eternally upholding the great leader Comrade Kim Il-song.

In conformity with the changed reality and circumstances in which the change of generations has been effected in the movement of Koreans in Japan, as well as the changes in the circumstances of Chongnyon's work, and despite the circumstances in which the maneuvers by reactionaries to destroy Chongnyon overseas have become more unscrupulous, Chongnyon has firmly built infrastructural organizations and achieved cohesion and unity of its Chongnyon organizations by strengthening organizational and ideological work among Chongnyon organizations. Chongnyon has also strengthened work with the broad masses of compatriots and firmly rallied them around the organizations. Thus, Chongnyon has vigorously organized and mobilized the masses of compatriots to accomplish patriotic tasks.

By so doing, Chongnyon opposed the Japanese reactionaries' policy of national discrimination, defending the various rights and dignity of our compatriots, such as citizenship in the Republic, the right to live, and the right to engage in business. Developing national reformation work, Chongnyon was able to raise the new generation to be dependable inheritors of Chongnyon's patriotic work.

During the period of review, Chongnyon and compatriots residing in Japan struggled to defend their country, their fatherland, without disturbance under the grave situation in which the antisocialist, anti-DPRK maneuvers were continuously waged by the imperialist reactionaries of the world. At the same time, they excellently contributed to the prosperity and development of the socialist fatherland.

During the period of review, Chongnyon vigorously organized and mobilized compatriots residing in Japan to the struggle for the country's reunification, encouraging and supporting the South Korean's just struggle for independence, democracy, and reunification.

In particular, Chongnyon waged a month-long campaign to support and realize the 10-Point Program for the Great Unity of the Entire Nation for the Country's Reunification put forth by the great leader Comrade Kim Il-song as a movement of all compatriots, demonstrating the firm will of those compatriots residing in Japan to realize the country's reunification in the 1990's, thus playing the role of a vanguard in rallying the patriotic force for reunification and heightening the mood of the movement for the fatherland's reunification.

Strengthening friendship and unity with the Japanese people and other progressive people of the world, and expanding and developing international solidarity, Chongnyon increased the ranks of supporters for and sympathizers with the chuche cause; enhanced the external dignity of our Republic; and played a significant role in providing an advantageous environment for the country's reunification.

During the period of review, Chongnyon achieved proud success in building its organization and patriotic activities, thus enabling itself to become a prestigious independent overseas compatriots' organization, displaying its proud feature as a patriotic and nation-loving pioneer, an example of patriotic inmost feelings, and an example of the compatriots' movement throughout the world.

The shining success and achievements Chongnyon made during the period are the brilliant victory of the ideas of the movement of those compatriots residing in Japan as developed by the great leader Comrade Kim Il-song, who put forth the line of the independent movement of Koreans residing in Japan; formed Chongnyon, the chuche-type residing in Japan compatriots' organization; and elucidated the road for Chongnyon to follow. At the same time, Chongnyon's success and achievements were the great fruition that has been made possible by the wise leadership and scrupulous care of the great leader Comrade Kim Chong-il, who exercised his energetic leadership so that Chongnyon and compatriots residing in Japan may thoroughly embody the great leader's independent idea of overseas compatriots.

Today, we are in a new era of upholding the great leader Comrade Kim Chong-il at the head of the country and the nation, and of inheriting and completing the chuche revolutionary cause pioneered by the great leader. The movement of Koreans residing in Japan has entered a new developmental stage. Chongnyon functionaries and compatriots residing in Japan should uphold the great leader Comrade Kim Il-song forever as the sun of chuche, and should carry out all of Chongnyon's work as he intended and wished.

The great leader [widaehan yongdoja] Comrade Kim Chong-il is the great leader [widaehan suryong] Comrade Kim Il-song, and the respected and beloved Comrade Kim Chong-il is the destiny of the country and the nation, the destiny of Chongnyon and compatriots residing in Japan, and the symbol of all victories and glory.

With the firm conviction that because they uphold the great leader Comrade Kim Chong-il, they will certainly be victorious, Chongnyon functionaries and compatriots residing in Japan are launching themselves into the struggle to implement the programmatic work set forth in the historic letter he himself sent on the 40th anniversary of the formation of Chongnyon.

Chongnyon should continuously deepen the work of imbuing Chongnyon with the chuche idea in conformity with the demand of its present development so that functionaries and compatriots may cherish a boundless loyalty to the great leader Comrade Kim Chong-il and prepare themselves to be chuche-style overseas citizens and enthusiastic patriots sharing their destiny with him.

Chongnyon should make it one of the central tasks of its patriotic activities to defend the democratic national dignity and interests of compatriots residing in Japan; to develop national education; to enhance their consciousness of national independence; and to foster their national characteristics.

At the same time, it is important that all compatriots enthusiastically defend the chuche socialist fatherland; actively cooperate for the prosperity and development of their country, their fatherland; launch themselves into the struggle for the country's reunification; and actively conduct external activities under the ideals of independence, peace, and friendship to further increase the rank of supporters for and sympathizers with our people's just cause and the movement of Koreans residing in Japan.

To strengthen and develop the movement of Koreans residing in Japan, Chongnyon should organizationally and ideologically solidify itself; continuously enhance its role; firmly build the ranks of its cadres; and solidify the unity and cohesion of its rank based on the chuche idea.

Chongnyon should improve and strengthen its work with the compatriots of various strata, including businessmen, the main force of the patriotic movement, as well as compatriots of a new generation of youth; should firmly build Chongnyon branches and local organizations; and should further intensify its ideological indoctrination work.

Chongnyon functionaries should improve their work method and work style to enhance the compatriot

masses' patriotic enthusiasm and to strengthen national unity so they can carry out all work successfully. Chongnyon functionaries should actively learn and follow the work method of the great leader's style and become the close friends and true servants of the compatriot masses.

Chongnyon's patriotic cause, the chuche socialist fatherland, is ever-victorious because the great leader Comrade Kim Il-song lives forever as the sun of chuche and because the great leader Comrade Kim Chong-il, the great man of great men unequalled by anyone in the world, is present.

The people of the fatherland are convinced that Chongnyon functionaries and compatriots residing in Japan, as they have done in the past, will launch themselves into the sacred cause of patriotism for the country and the nation, upholding the behest of the great leader Comrade Kim Il-song and firmly rallying around the great leader Comrade Kim Chong-il, winning new victories.

Victory and glory will always be in the future of Chongnyon and those compatriots residing in Japan who uphold the great leader Comrade Kim Il-song forever and who follow the wise leadership of the great leader Comrade Kim Chong-il.

Yang Hyong-sop Sends Message to Guinea Official

SK1309223995 *Pyongyang KCNA in English*
1519 GMT 13 Sep 95

[FBIS Transcribed Text] Pyongyang, September 13 (KCNA) — Chairman of the Supreme People's Assembly of the DPRK Yang Hyong-sop sent a message of greetings to El Hadj Boubacar Biro Diallo, upon the inauguration of the National Assembly in Guinea and his election as its president.

The message expressed the belief that the friendly relations between the DPRK Supreme People's Assembly and the Guinean National Assembly will develop on good terms in conformity with the interests of the two peoples and wished him success in his responsible work.

South Korea

U.S. 'Pressure' To Open Auto Market Examined

SK1409033695 *Seoul THE KOREA HERALD*
in English 14 Sep 95 p 1

[Unattributed article: "Washington Building Pressure To Open Car Market Here"]

[FBIS Transcribed Text] Korea's car and medical equipment markets are likely to be designated by the U.S. Trade Representative (USTR) as the priority first coun-

try practices (PFCP) under the "Super Section" 301, trade analysts here said yesterday.

In a subcommittee meeting of the Super Section 301 held in Washington Sept. 7, senior officials from the USTR, the U.S. Commerce, Agriculture, Treasury and other ministries reaffirmed their position to designate Korea as the PFCP unless the Seoul government comes out with a set of measures to satisfy U.S. demands, they said.

At the same time, the American Automobile Manufacturers Association (AAMA) recently issued a statement which calls on the USTR to put maximum pressure on the Korean government to further open its market, they said.

Early this month, the AAMA, which represents the Big Three American car manufacturers, asked U.S. Trade Representative Mickey Kantor to put Korea on a priority list for action that could lead to U.S. sanctions if no progress is made in opening its market to foreign cars.

Kantor is to decide whether to initiate action against Korea by the end of September.

Under these circumstances, the possibility is growing high that the USTR will designate Korea's car and medical equipment markets as the PFCP, they said.

Korea and the United States are scheduled to hold auto trade talks in Washington Sept. 19-20., but the Seoul government has avoided the U.S. administration's attack not by fully accepting U.S. demands but by explaining the Seoul government's efforts to widen its market, a senior official at the Ministry of Trade, Industry and Energy (MOTIE) said.

In a related development, the MOTIE sent an official letter to the USTR Sept. 5, calling for a smooth settlement of the car dispute between the two countries, said the official on condition of anonymity.

As for the American car industry's complaint about the small portion of foreign cars in the domestic automobile market, the MOTIE said in the letter that it stemmed not from the Seoul government's various restrictions on the sales of foreign cars but from the short period of the domestic car market's opening, which has been only seven years.

On the AAMA's demand to pull down the tariff rate imposed by the Seoul government on imported cars, the MOTIE said that the government lowered the tariff rate to 8 percent early this year and the rate stands lower than the 10 percent rate in Europe and the 9.2 percent rate in Canada.

The AAMA also cited a complex set of taxes imposed on imported cars and financing restrictions on foreign car companies plus leasing restrictions as main reasons for U.S.-made cars being less competitive with the average Korean in the domestic automobile market.

Washington has been escalating its pressure to open the Korean market wider more than ever before, but it may be only a tactic to obtain more concessions from the Seoul government before the deadline of the USTR's decision whether to initiate action against Korea or not, said the official.

Defense Ministry To Purchase U.S. Missiles

*SK1409050895 Seoul CHOSON ILBO in Korean
14 Sep 95 p 2*

[FBIS Translated Text] It has been learned that the ROK Army will purchase the ultramodern ATACMS ground-to-ground missiles from the United States by 1999. With a range of 140 kilometers, it can completely destroy an area the size of three or four soccer fields.

This will be the first purchase of ground-to-ground missiles by the ROK Army from a foreign country and these missiles have the capacity for a powerful offensive against the rear area of North Korean ground troops located in the rear area.

According to the Ministry of National Defense on 13 September, the Army has decided to gradually purchase ATACMS ground-to-ground missiles and multilateral rockets (MLRS) worth 600 billion won [\$750 million] from 1996 to 1999. Therefore, it has recently submitted an official request with the Ministry of National Defense and the Joint Chiefs of Staff for approval.

The United States developed the ultramodern "AT-ACMS" missiles in the late eighties and deployed them for an actual war. One missile is made up of approximately 1,000 small-sized shells so it can completely destroy a large area. Its range can be increased to 270 kilometers.

Reportage on Plans for Flood Aid to North

North Admonished To Accept 'Reality'

*SK1409121395 Seoul CHOSON ILBO in Korean
14 Sep 95 p 3*

[Editorial: "The Point of View on the 'North Korean Flood Disaster'"]

[FBIS Translated Text] How should one view the flood disaster in North Korea? Hearing the reports that children are barely managing to live on corn gruel, and that people are at a loss how to survive during the upcoming winter, we cannot but feel pity for the

miserable situation facing the North Koreans. However, when we recall the actions and remarks of a North Korean official who stated that "when a goby in the West Sea [Yellow Sea] (Japan) jumps, a broom (ROK) also attempts to jump," we cannot but become cool-headed once again.

If North Korea's rulers truly want aid, they should first strive to understand our sentiments and feelings. Reports indicate that the United Nations, the International Red Cross Society, and similar organizations will launch campaigns to collect relief goods for North Korea. However, the amount will be no more than tens of millions of dollars, far less than the \$15 billion North Korea claims is required to restore the damage. We are the only country capable of providing food, medicine, clothing, blankets, and other relief material. Nevertheless, North Korea looks away from this easiest of solutions.

If the report is true that 75 percent of all of North Korea was damaged by floods, leaving more than 5 million victims, then North Korea should have shown a sincere and frank attitude instead of merely attempting to save face, in that making the people more sympathetic with it over the disaster. However, North Korea, adhering to its double-dealing tactics, is playing a dual game in the face of such an enormous disaster. In other words, North Korea is internally running amok with propaganda about reaping a bumper harvest, thus implying North Korea is free of any flood damage, while at the same time appealing for help, claiming the damage is enormous.

This being the case, North Korea will never be able to overcome its flood disaster with assistance from the people of the world. Thus, North Korea should rightfully grasp the essence of the problem. There are some factors that make it difficult to attribute the recent flood damage in North Korea to natural calamities. The basic cause of the flood damage is that North Korea directed all its efforts toward an arms buildup, including the development of nuclear weapons and missiles, paying no attention to the people. In addition, even greater blame should be laid on the erroneous so-called *chuche* agricultural method, which was reportedly designed by Kim Chong-il. Although North Korea "developed" treeless mountains into terraced farming land and increased agricultural production, even minor rains resulted in landslides that covered up existing river beds, thus increasing the danger of flooding. Nevertheless, North Korea has not admitted its failure in terraced land farming.

If North Korea wants to reduce flood damage in the future, it should admit and accept the reality, and should carry out innovations in its structure. North Korea should keenly realize that by merely clinging to

erroneous line without trying to help itself, North Korea will never be able to open the path for improvement and expect foreigners to understand. We should assume such a consciousness by North Korea as a prerequisite for formulating our own view. Thus, even if relief activities are launched on the initiative of the United Nations, there is no need for us to recklessly outpace others, abandoning all principles and doing so in an impulsive way, just as in the past when we tried to send rice to North Korea before Japanese rice reached the North.

More Japanese Rice Aid Sought

SK1409013195 Seoul YONHAP in English
0120 GMT 14 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 14 (YONHAP) — Kim Yong-sun, secretary of North Korean Workers' Party, recently sent a letter to the Japan's ruling coalition to express gratitude for Japan's rice aid to the North and to ask for additional assistance, sources here said Thursday.

In a facsimile letter sent to Michio Watanabe, chief of the Liberal Democratic Party (LDP) delegation to North Korea earlier this year, Kim explained that recent reports regarding his remarks that Japan sent rice to the North to apologize and compensate them for past atrocities which it committed against them are totally groundless speculation and are meant to interfere with their relations.

Kim said, "Japan provided the rice for humanitarian reasons and in good faith." He also expressed his gratitude for the efforts Watanabe has made to realize the rice aid.

"I am sure North Korea and Japan will make joint efforts to solve problems from a humanitarian perspective as well as to improve bilateral relations for the interests of both our people," he opined.

The Japanese Government and the ruling coalition are planning to resume negotiations with North Korea for additional rice aid, according to the sources, who added that many expect the humanitarian assistance will speed up the conclusion of Pyongyang-Tokyo talks trying to normalize diplomatic relations.

Korean Red Cross Ready To Offer Aid

SK1409000795 Seoul YONHAP in English
1258 GMT 13 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 13 (YONHAP) — The Republic of Korea National Red Cross (KNRC) is willing to provide relief goods worth 50,000 dollars to North Korea, KNRC President Kang Yong-hun said Wednesday afternoon.

In an interview over the phone, Kang said that in view of his organization's financial conditions, the KNRC would be able to furnish 50,000 dollars in cash or goods to flood-stricken North Korea if an international organization that has made an on-the-spot survey of the extent of flood damages in the North makes such a request.

He said his Red Cross could also send them some medical supplies inasmuch as the North Koreans are known to suffer much from cholera and other epidemics.

"If the North asks, we can send even a medical team to North Korea," Kang said.

He said that assistance by his Red Cross would be made in accordance with International Red Cross programs. "We will also consult with the government because this is a matter having something to do with inter-Korean relations," the Red Cross president said.

World Vision Reports Aid Request

SK1409040395 Seoul YONHAP in English
0244 GMT 14 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 14 (YONHAP) — North Korea asked a South Korean civic organization for food grain for the first time since massive flood damage was reported there, World Vision Korea said Thursday.

World Vision Korea said that Kim Pong-ik, president of North Korea's Samcholli General Trading Co., sent a letter to the organization last Tuesday asking for assistance in the form of food grain.

North Korea has asked other international organizations and foreign countries for aid since their flood damage was reported early last month, but it had never requested assistance from the South until now.

Kim said in the letter, "We need food grain more than any other relief supplies right now. We hope that World Vision Korea, which provided food grain to us last May, will actively give its support this time, too."

An official from World Vision Korea said that North Korea, requesting the food aid, said that the "sooner" they could supply it "the better" and "the more the better."

Thus, World Vision Korea will consult with officials from its international headquarters in the United States, World Vision International, to discuss spending 500,000 U.S. dollars on wheat flour for the North.

World Vision International did earmark 500,000 U.S. dollars in aid at the request of the North Korean Mission

to the United Nations at the end of last month. World Vision Korea plans to send the wheat flour via China.

The civic organization will also inform the South Korean Government of North Korea's request for food aid, its decision to send grains to the North, as well as repeat its demand that the government approve World Vision's plan to send 2,000 tons of rice to North Korea.

Government Awaits 'Official Request'

*SK1409074495 Seoul YONHAP in English
0736 GMT 14 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 14 (YONHAP) — National Unification Minister Na Ung-pae said Thursday the government will provide North Korea with flood relief aid if Pyongyang makes an official request.

The government will make a prudent study of when and how the flood aid should be extended to the North and consult with the ruling Liberal Democratic Party about the study's result before making a final decision on an assistance package, the chief North Korea policymaker told reporters.

He disclosed that the Korean National Red Cross would deliver relief items, such as medical supplies, clothing and blankets, worth 50,000 U.S. dollars to the North through the appropriate channels.

As for aid from civic and religious organizations, Na said they should provide such aid using the Korean National Red Cross as the sole channel.

As for the scope of the government's aid, he said it would include such items as medical supplies, clothes and blankets necessary to North Korean flood victims in their daily life, except for rice.

The government will set the amount of assistance at an appropriate level, taking into consideration the earthquake relief it has already provided to Japan and Russia, he added.

It is desirable that the aid be given on the basis of a national consensus to improve inter-Korean relations, he remarked.

The government will consult with the ruling party about this matter, he said, adding, "But I don't think it is necessary to seek the parliament's consent."

Revealing that the government has not yet received a formal aid request from the North, he said the administration had decided to give the North assistance purely out of humanitarianism and brotherly love, with hope the aid would help the North Koreans recover from the flood damage as soon as possible.

The government planned to provide 2 million U.S. dollars worth of medical supplies, clothes and blankets to North Korean flood victims, but the Democratic Liberal Party balked at the plan in a meeting with the government Thursday, claiming that by providing aid to the North when the South has not yet fully recovered from its own flood losses would invite public criticism.

International Red Cross Solicits Aid

*SK1409112995 Seoul YONHAP in English
1122 GMT 14 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 14 (YONHAP) — The International Federation of Red Cross (IFRC) on Thursday afternoon asked South Korea to provide relief assistance to flood-stricken North Korea.

Kim Kyong-ung, spokesman for the National Unification Ministry, said the IFRC had asked South Korea and all other member nations to give aids to North Korea said to have suffered devastating damages in the recent flood.

The aids the IFRC asked for total about 4.5 million dollars in cash and goods, he said.

"The amount the IFRC requested is for meeting three months' needs of 130,000 flood victims in 26,000 families in the hardest-hit areas like North Pyongan Province," the spokesman said.

The 4.5 million dollars include about 1.5 million dollars in cash for the coverage of the procurement of emergency medical supplies, clothes and communications and personnel expenses, and 3 million dollars in goods including 52,000 each blankets and padded beddings, 3,500 tons of rice and three vehicles.

Government Response to Pastor An 'Kidnapping'

*SK1309135495 Seoul TONG-A ILBO in Korean
13 Sep 95 p 2*

[FBIS Translated Text] It was learned on 12 September that, in the belief the PRC authorities will inform the ROK in the near future of Beijing's investigation on the "kidnapping" of Pastor An Sung-un to North Korea, the government has worked out a many-sided countermeasure.

In the event the PRC Government concludes the Pastor An incident as a "kidnapping," the government will demand North Korea and PRC "restore An to his original status" — namely, the immediate repatriation of Pastor An.

On the other hand, if the PRC Government concludes the Pastor An incident as not a "kidnapping," or that An voluntarily went to the North, then the government will

demand North Korea and the PRC allow an interview with Pastor An to confirm his true motive. The PRC began an immediate investigation after Pastor An was reported missing on 9 July. However, the PRC has not informed the ROK of the results of the investigation. It was learned through diplomatic channels that the PRC has recently notified our government that "it will inform the ROK of its investigation results at an early date, within this month at the latest." Meanwhile, in the event the PRC authorities fail to notify the ROK of their investigation results by the end of this month, a period of two months after the Pastor An incident occurred, the government will officially lodge a strong protest with the PRC Government.

A relevant ROK Government official pointed out that "since two months have passed since PRC authorities began the investigation, the first-phase investigation results must have already been reached. However, it is highly likely the PRC is delaying notification of the investigation results because of political considerations."

Extension of Territorial Waters Sought

SK1409072395 Seoul YONHAP in English
0638 GMT 14 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 14 (YONHAP) — South Korea wants to negotiate with Japan a nine mile extension of its territorial waters in the Korean Strait, increasing the current boundary from three miles to 12, the Foreign Ministry said Thursday.

A ministry official, noting that a revision to the Territorial Waters Law if approved by the National Assembly during its current session will pave the way for extending Korean territorial waters in the strait within six months, said, "We plan to negotiate with Japan an extension of our territorial waters in the Korean Strait."

Japan is opposed to an extension on the grounds of its three non-nuclear principles, according to the official. Thus, the government may extend the territorial waters to 12 nautical miles first or extend them through negotiations with Japan, the official added.

Should Japan expand its territorial waters off the Korean Strait to 12 miles as Korea plans to, the Korean Strait would contain little international waters, the official pointed out, adding, "Should this be the case, detailed rules would have to be worked out to regulate passage and navigation through the strait by foreign vessels."

The United Nations Law of the Sea permits a country to establish 24 nautical miles of "jurisdictional waters" comprised of a maximum 12-mile territorial waters zone and a 12-mile contiguous zone.

Articles 37 through 39 of the Law of Sea Convention, however, guarantee all vessels including warships and aircraft a right to fly over and navigate straits used for international passage without hinderance.

Meanwhile, articles 17 and 19 of the convention stipulate that a right to harmless navigation shall be accorded vessels of all countries in territorial waters.

The proposed revision to the Territorial Waters Law provides that the contiguous zone is subject to a country's administration and policing, similar to the way immigration and quarantine laws may be enforced up to 12 nautical miles outside the territorial waters zone.

The revision also provides for a maximum fine of 200 million won against an act of illegal fishing or smuggling discovered in contiguous zone.

Kong on Recall of Envoy to New Zealand, KEDO

SK1409100295 Seoul YONHAP in English
0839 GMT 14 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 14 (YONHAP) — South Korean Foreign Minister Kong No-myong said Thursday that the recall of Ambassador to New Zealand Yi Tong-ik was "planned in advance and has no political background."

Kong told an informal press meeting, "Amb. Yi has been recalled merely because an interview by Wellington authorities of former Attache Choe Sung-chin, who has applied for refugee status, originally scheduled for late August, has been postponed."

Amb. Yi returned home Thursday morning from Wellington, recalled by the government in connection with the controversial case which involve allegedly forged diplomatic documents to the effect that the government attempted to put off the June local elections fearing a possible defeat.

Kong said Yi's replacement will be appointed at an appropriate time upon approval by President Kim Yong-sam, indicating that the replacement may take some time.

"The New Zealand Government will examine Choe's application for refugee status in accordance with its legal procedures. It is hoped, however, that Choe will be able to return home as soon as possible upon completion of the procedures," Kong added.

Referring to the financing of alternative energy to be supplied to North Korea under the Geneva agreed framework, the foreign minister disclosed that South Korea, the United States and Japan will launch a joint effort to raise funds from member countries of the

Korean Peninsula Energy Development Organization (KEDO).

To that end, American Nuclear Ambassador [title as received] Robert Gallucci is expected to tour several European countries to help raise the funds, he noted.

Commenting on the ongoing KEDO-North Korea experts' talks on the supply of light-water reactors to the north currently being held in Kuala Lumpur, Malaysia, Kong said that a deep gap of differences in view exist on the extent of additional facilities to be provided as well as differences on how the north will ultimately pay for the nuclear power plant project.

Envoy to New Zealand Comments on Forgery Case

SK1409015595 Seoul YONHAP in English
0032 GMT 14 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 14 (YONHAP) — South Korean Ambassador to New Zealand Yi Tong-ik said Thursday that fugitive diplomat Choe Sung-chin forged controversial diplomatic documents.

Amb. Yi, who returned early Thursday morning after being recalled to South Korea by the government in connection with the document forgery case involving Choe, told reporters at Kimpo Airport, "Judging from various circumstantial evidence including the contents of the letter he (Choe) sent to Rep. Kwon No-kap, I think the documents in question were forged by former Administrative Attache Choe Sung-chin."

He also expressed his hope that Choe will return home as soon as possible so that "the truth" about the case will be revealed.

Asked about Wellington's response to his recall, Yi said, "They expressed frustration at my abrupt summons home," adding, "but they will examine Choe's application for refugee status in accordance with relevant procedures."

Yi is expected to meet with Foreign Minister Kong No-myong Thursday afternoon and await his next assignment for the time being, according to Foreign Ministry officials.

Amb. Yi, prior to his departure from Wellington, met with New Zealand Foreign Minister Don McKinnon last Tuesday, informing the latter of his recall and formally requesting that the examination of Choe's application for refugee status be decided as soon as possible.

Yi Hoe-chang Discusses Loosening of Regulations

SK1409100395 Seoul YONHAP in English
0803 GMT 14 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 14 (YONHAP) — Yi Hoe-chang, former prime minister, said Thursday that if the government is to successfully "loosen" its control on administrative and economic fields, it will have to change its policy.

Yi, who was a judge before he took office as prime minister, made the remarks while delivering a speech to a breakfast meeting of top business executives held at the Hilton Hotel.

Talking about "Reform and Our Future," Yi said, "Civic organizations and private enterprises are still not benefiting from the government's measures to 'loosen' a number of regulations on administrative and economic policies."

He explained that the reason for this is the government is loosening only minor regulations, worrying that it may lose or reduce its power by making major changes.

"The government should really loosen the regulations by respecting creativeness and autonomy," he added.

Ministry Announces Income Tax Reform Plan

SK1409044295 Seoul YONHAP in English
0131 GMT 14 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 14 (YONHAP) — Income taxes levied on wage earners and the self-employed will be reduced next year to help alleviate their tax burden by about 290 billion won a year, according to the Finance and Economy Ministry.

Under the ministry's income tax reform plan, the four tax brackets set according to annual income will be adjusted from the current, under 10 million won, 10-30 million won, 30-60 million won and above 60 million won, to under 10 million won, 10-40 million won, 40-80 million won and above 80 million, with tax rates of 10-40 percent applicable to these brackets remaining unchanged.

This will lower income tax rates by 1.3-3.4 percentage points and offset some tax increases due to the inclusion of income from investment in non-stock securities, such as bonds and certificates of deposit in the global income tax system next year, ministry officials said.

In addition, the tax exemption point will be raised from the current 6.27 million won to 10.57 million won for wage earners who support three family members and from 2.22 million won to 4.6 million won for the self-employed who support three family members.

Accordingly, workers earning 80 million won a year will pay an income tax of 14.72 million won, down 2.24 million won from the 16.96 million won to be assessed this year, provided that they support three family members.

Also, the income tax levied on the self-employed earning 80 million won a year as head of a four-member family will be trimmed from this year's 20.16 million won to 17.62 million won.

Moreover, the ministry plans to lower corporate tax rates and ease requirements for capital gains taxes on real estate sellers.

This and the income tax reform will result in a decrease of about one trillion won in tax revenues next year, the officials analyzed.

Article Outlines Pending Financial Reform Bills

*SK1409033895 Seoul THE KOREA TIMES in English
14 Sep 95 p 9*

[By staff reporter Yi Chang-sop]

[FBIS Transcribed Text] The government will put forward six major financial reform bills to the National Assembly for review and passage in the current regular session.

These bills, if passed, will create new financial organizations, tear down business barriers among financial institutions and make rules and regulations more transparent, the Ministry of Finance and Economy said.

The ministry yesterday invited outside advisers to hear their views on the proposed reform bills before being sent to lawmakers.

One of the bills is aimed at establishing the nation's first financial and commodities futures exchange scheduled for 1997.

The second one is to set up a deposit insurance corporation to protect depositors from potential bank failures. All bank financial instruments, excluding certificates of deposit and financial bonds, will be covered by insurance. All stage-run and private banks, including foreign banks, will have to mandatorily subscribe to the insurance system. Each depositor will be able to be compensated up to 20 million won for the loss, according to the bill.

Initially, participating banks must pay 0.02 percent of all outstanding deposit amounts ultimately to the insurance corporation, with premiums to vary depending on the financial health of banks.

One contention in the bill is the hegemony between the government and the central bank. The corporation is

to be controlled by the government, a ministry official said. But the Bank of Korea [BOK] maintained the corporation should be put under its control.

The deposit insurance company will also work as a matchmaker for potential merger of banks. It will inject money into banks taking over troubled ones.

The third bill is related to lifting business restrictions between investment finance and merchant banking areas, thus enabling both financial institutions to do a wide variety of financial services. The minimum capital for these players will be 30 billion won. The bill also sets a legal basis for the creation of two currency brokerage houses.

The revision of the Korea Non-Bank Deposit Insurance Corporation Law will give the corporation statutory power to inspect and audit mutual savings and finance companies. Mutual savings and finance companies, investment finance firms and merchant banks will be obligated to pay 0.15 percent of their deposit amount in premium, up from the current 0.1 percent, to the corporation. In case of bankruptcy of non-bank financial institutions, the corporation will cover up to 20 million won per depositor, doubling the current limit. The company will also search for ways of helping their members merge with others for bigger and healthier institutions.

The Foreign Exchange Management Act will be revised in the current National Assembly sitting. The revision will virtually liberalize payments and receipts linked to current account transactions, and abolish the permit system for services transactions.

The revision will also partially lift capital account controls, moving away from the current practice of banning all capital account transactions unless otherwise permitted in the law. Despite the revision of the act, Seoul needs additional rewriting of the law to meet standards set by the OECD (Organization for Economic Cooperation and Development).

Once the bill is revised, currency dealers will be free to set up shop at any location across the country with a simple report to related authorities. The government will suspend the so-called foreign exchange concentration system under which all foreign currency must be sold to banks in principle. Private holdings of foreign currencies will be banned only in limited cases such as war or financial crisis. The revision has paved the way for the creation of a currency brokerage house.

Traders will be able to settle their trade accounts with any currency once the law is revised.

To remove barriers in the securities business, the revision of the Investment Trust Business Act is to be forwarded to the National Assembly; investment trust companies will be able to deal with securities firms and investment advisory companies will be entitled to deal in investment trust services through independent units.

Apparently aimed at preventing major industrial giants from controlling fund management companies, the government will institute a code on the ceiling of individual share ownership. The Securities Supervisory Board will take over the right to inspect investment trust companies from the government.

DLP Official Denounces Finance-Economy Minister
SK1309113395 Seoul YONHAP in English
1003 GMT 13 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 13 (YONHAP) — A senior ruling Democratic Liberal Party (DLP) functionary on Wednesday vehemently attacked a top government economic official.

Meeting with reporters after a DLP floor strategy meeting, DLP Secretary General Kang Sam-chae nakedly denounced Deputy Prime Minister and Finance-Economy Minister Hong Chae-hyong.

Kang did not call Hong's name or mention his position. But, he didn't try to conceal he was attacking Deputy Premier Hong.

The DLP secretary-general, known to be one of the close aides of President Kim Yong-sam, complained (Hong) has been acting arbitrarily taking advantage of his "special relationship" with the president and under the cloak of economic reforms.

The unusual attack came after the administration's idea on the issue of global taxation on financial revenues was adopted against the DLP's advocate of an eased global taxation.

"(Deputy Premier Hong) likes to trade on the influence of the president... Is the kind of man prone to make a big trouble," Kang said during the meeting with reporters that lasted about 30 minutes.

Kang said in an excited tone he doesn't know what makes him so ignorant of the reality despite the fact that he is trying to run in the next general elections.

"People say (Hong) is very haughty even at assembly standing committee sessions... Can he do politics properly in such a manner?" he asked.

Burma

Aung San Suu Kyi Discusses Tokyo's Aid

OW1109133195 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 11 Sep 95 Morning Edition p 9

[Report by Katsuhiko Iida]

[FBIS Translated Text] Bangkok, 10 September — Burma's pro-democracy leader Aung San Suu Kyi recently granted an interview to NIHON KEIZAI SHIMBUN at her residence in Rangoon. Asked whether or not the opposition National League for Democracy (NLD) will continue to join the national council for establishing a constitution, Suu Kyi said: "The NLD will release its statement before the council is reconvened on 24 October." Although she earlier criticized the national council as "a mere show," she now appears to have softened her stand toward the council.

Concerning the resumption of talks with the State Law and Order Restoration Council (SLORC), which have stopped since last October, Suu Kyi said: "I have not received any response from the SLORC. But I am optimistic about this." In this way, she expressed her confidence that the talks would be resumed. On 8 September, SLORC First Secretary Khin Nyunt told visiting U.S. Ambassador to the United Nations Madeleine Albright that "we are studying the possibility of resuming talks." As such, there is a stronger possibility of their talks being resumed.

As for the Japanese Government's assistance to Burma, she said: "Japan should extend its aid by stages, in accordance with the progress of the democratic process here."

Former Singapore Defense Chief Calls on Officials

BK1209073395 Rangoon TV Myanmar Network
in Burmese 1330 GMT 11 Sep 95

[FBIS Translated Text] Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma], received Retired Lt. Gen. Ng Jui Ping, the visiting chairman of the Chartered Industries of Singapore, at the Ministry of Defense's Dagon House at 0830 today.

Also present were Transport Minister Lt. Gen. Thein Win, Foreign Minister U Ohn Gyaw, and Thura U Aung Htet, director general of Protocol Department.

Lt. Gen. Ng Jui Ping, the visiting retired Defense Services commander in chief of Singapore and chairman of the Chartered Industries of Singapore Private Limited, called on Lt. Gen. Tin Tun, SLORC member and deputy prime minister, at the latter's office at 1000 this morning.

At the meeting, cordial and frank talks were held on matters of bilateral economic and social interests.

Brunei, Malaysia & Singapore

Malaysia

Commentary Views OIC Meeting on Bosnia

BK1309135095 Kuala Lumpur Voice of Malaysia
in English 0810 GMT 13 Sep 95

[Station commentary]

[FBIS Transcribed Text] Rather than waiting for the world to decide the fate of war-ravaged Bosnia-Herzegovina, the officials from the Muslim nations have discussed [words indistinct] what is going on in the former Yugoslavia. Malaysia, feeling the urgency for such a meeting, has called for a special meeting of the Organization of Islamic Conference, OIC.

Member countries would be failing in their duty if they do not take some kind of decision on the type of settlement intended for Bosnia-Herzegovina. But it is a good sign that the member countries meeting in Kuala Lumpur now are of one mind over the new continued bombardment of the Serbs. Not that the OIC is keen to pursue only a military options in settling the conflict; they agreed that the North Atlantic Treaty Organization, NATO, on Bosnian Serbs was brought upon the Serbs by themselves. [sentence as heard] As the OIC meeting pointed out, the only language the Serbs can understand is decisive (?military) action by NATO. This is why as far as Malaysia is concerned, it wants the air strikes to continue to bring the Serbs to the conference table. It is because of such dire circumstances that NATO should use all available firepower as their instruments of peace to end this unhappy episode.

The marauding Serbs are on the defensive. However, the settlement being proposed by the United States and NATO should in no way be at the expense of the Bosnian Muslims. Otherwise it would be a victory for the Serbs. The underlying principle in any settlement is assurance [words indistinct]. Anything less would only encourage the Serbs to go back to their criminal ways. The Serbs must never be able to start the war again.

OIC countries must be united on Bosnia-Herzegovina. After all, it may be difficult convincing the United States, UN, or NATO to ensure this never happens. With the [words indistinct] proposal to the (?Serbs) by the United States, they might not want to accept OIC's recommendations. Nevertheless, [words indistinct] must be made to make known the OIC's stand and assurance that fair play (?applies) to the helpless Bosnian Muslims.

The OIC meeting is even more important, for it centers not only on the current situation but more so on the future reconstruction of Bosnia-Herzegovina. The U.S.-sponsored peace plan calls for the Muslim-Croat federation to occupy 51 percent of Bosnia's territory and the Serbian Republic sitting on the other 49 percent. But the plan provides compensation for the displaced rather than helping them to regain their homes. In other words, ethnically cleansed neighborhoods will remain that way. The U.S. and the others looking for a settlement must [words indistinct] whether the agreement made to Muslims in a state of permanence while [words indistinct]. This is the ugly side of the agreement, for it (?benefits) the Serbs. Moreover, the Serbs had never been good at hiding their intentions to ultimately achieve a unified state for all Serbs. This is nothing else than a continuous act of confrontation. For now and the future, whether there is a conference table, it is the situation on the ground that will dictate what kind of peace will be achieved.

Singapore

Editorial Notes Repercussions of Nuclear Tests

*BK1409091495 Singapore BUSINESS TIMES
in English 14 Sep 95*

[Editorial: "Nuclear Tests Are Not Cost-Free" — received via Internet]

[FBIS Transcribed Text] If President Jacques Chirac thought that France's little display of nuclear might was going to be cost-free — bar some noisy little demonstrations in the nether regions of the world — it is clear now that he was sadly mistaken. The protests turned into pro-independence riots in the streets of Papeete, Tahiti. And the consumer-led boycott of French goods in Australia, New Zealand and Japan should be enough to convince him that producers of French wine, cosmetics and cars will suffer.

While it is too early to say how badly this will hurt, it can be reasonably expected that the boycott will be sustained until Paris ends the tests. Mr Chirac's claim that the rise in anti-French sentiment is all a ploy by Australia and New Zealand to dislodge France from the South Pacific will convince no one. The riots and the boycott reflect the outrage of ordinary people in the region who feel violated by a colonial power testing its weapons of mass destruction far away from its own shores. That is the real source of anger. And that is the reason why there has been a far more muted response to Chinese nuclear tests: Beijing tests within its own borders. As the Australian Foreign Minister was moved to ask: If the tests are so safe, why not conduct them in

metropolitan France? It is imperial conceit to proclaim that the atolls are part of France.

Typically, an angry Mr Chirac warned Australia that Paris would stop buying uranium from Canberra if Australia pushed the boycott of French products. France's biggest imports from Australia are coal, wool and iron ore, but it also imports around 3 percent of its uranium from Australia. Presumably, New Zealand and Japanese products would also be put on the retaliation list if French exports to these countries are significantly affected. Of course the French government can retaliate.

But that is surely not the point. From the evidence available, the boycott of French goods is not orchestrated by any of these governments; it is the spontaneous reaction of ordinary people striking out in the only way directly open to them. Indeed, it would seem that the governments of both Australia and New Zealand were initially as much taken aback by the depth of feeling as the French. So Mr Chirac should take very little comfort from the assurance by the Australian and New Zealand governments that they were concerned solely with the French tests and were not promoting the boycott or an independence movement.

Even France's partners in the European Union are not pleased with the tests. Denmark, Ireland and Sweden took the lead in condemning France and urging an immediate halt to the programme. Austria, Belgium, Finland, Greece, Luxembourg and the Netherlands were equally firm in their insistence that France's actions would undermine the chances of establishing a definitive worldwide ban on testing. As well, the French offer to put its nuclear weapons at the disposal of the EU has been dismissed as an opportunistic attempt to deflect the wave of criticism over the tests. If France does proceed with the next test, it could well face the boycott of French goods spreading to the European Union itself.

Cambodia

Australia To Continue Aid to Armed Forces

*BK1309161595 Phnom Penh National Radio of
Cambodia Network in Cambodian
1300 GMT 13 Sep 95*

[FBIS Translated Text] His Excellency [H.E.] General (?John Baker), commander in chief of the Australian Defense Force [title as heard] called on Prince Krompreah Norodom Ranariddh, first prime minister of the Royal Government of Cambodia [RGC] and co-commander in chief of the Khmer Royal Armed Forces [KRAF], at his residence at 1000 this morning.

The prince krompreah thanked Australia for providing all types of assistance to the RGC, especially to the KRAF.

The prince briefed the guest on the current situation and especially the all-around development in Cambodia.

H.E. General (John Baker) expressed his joy and recognition of the all-around progress in the RGC, particularly in the development of the KRAF. He promised to continue assisting the KRAF in training and [words indistinct].

Thus far, the Australian Defense Force has aided the KRAF in training, and in naval and radio communications work.

This morning, the commander in chief of the Australian Defense Force also visited the Cambodian Mine Action Center and the KRAF training school at Russei Kev in Phnom Penh.

Commentary Praises Thai Foreign Minister Visit

*BK1409061095 Phnom Penh National Radio of Cambodia Network in Cambodian
1300 GMT 13 Sep 95*

[Political commentary: "A Positive Step Toward Enhancing the Cambodian-Thai Relations"]

[FBIS Translated Text] During the recent visit to the Kingdom of Cambodia by Thai Foreign Minister Kasemsamosan Kasemsi, the two sides, Cambodia and Thailand, agreed to promote the signing of the blueprint concerning stability and safety along the two countries' common border, and to enhance the Cambodian-Thai cooperation reached by the bilateral [Border] Coordination Committee at its first meeting. The event constitutes another positive step in the relations after the drawn-out complicatedness and bitterness.

Although the border control process was not mentioned in detail in the points agreed upon, the promotion of stability and safety along the border is an important initial step to pave the way for resolving a great many major problems. This embodies the basic foundation for settling the conflicts between the two nations once and for all.

In sum, the promotion of stability and safety along the Cambodian-Thai border enables the two countries' border villagers to contact and cooperate with each other to enhance economic growth, thus improving their livelihood and creating mutual understanding and respect.

Racial sarcasm and hatred of historic nature will eventually vanish when the people of the two sides compete to promote their economy and livelihood, thereby allowing their conflicts and other incidents to be settled legally and justly based on the principle of peace and cooperation.

Indonesia

House Speaker Fetes Vietnamese Delegation

*BK1409041295 Jakarta Radio Republik Indonesia
Network in Indonesian 1200 GMT 14 Sep 95*

[FBIS Translated Text] Wahono, speaker of the House of Representatives and concurrently chairman of the People's Consultative Assembly, has reiterated Indonesia's foreign policy focus on turning ASEAN into a zone of peace, freedom, and neutrality as the ASEAN people will be unable to continue their development without peace. Addressing a dinner reception for a Vietnamese parliamentary delegation, Wahono also explained Indonesia's active efforts to maintain world peace in general and stability and peace in ASEAN in particular.

The five-member Vietnamese parliamentary delegation led by Nong Duc Manh, chairman of the Vietnamese National Assembly, is in Indonesia at the invitation of the Indonesian House of Representatives. Members of the Vietnamese parliamentary delegation are scheduled to pay a courtesy call on President Suharto, meet Foreign Minister Ali Alatas and Agriculture Minister Syarifuddin Baharsyah, and visit the Nusantara Aircraft Industry in Bandung during their stay in Indonesia until 17 September.

General Discusses Irian Jaya Military Presence

*BK1409050795 Jakarta SUARA PEMBARUAN
in Indonesian 13 Sep 95 p 15*

[FBIS Translated Text] Jayapura, 13 September — General R. Hartono, chief of staff of the Indonesian Army, has stated that the presence of members of the Tactical Operations Command in Timika, Irian Jaya is still necessary to protect that area in particular and Irian Jaya in general from security threats.

He said there are remnants of the Security Disturbance Movement [GPK] or the self-styled Free Papua Movement [OPM] in Irian Jaya. They have even reorganized themselves, including their ranking system. The GPK has conducted ambushes, attacked security posts, and hoisted its flag bearing "a morning star and red stripes."

Such acts are clearly not correct, but the Indonesian Army continues to refrain from using a heavy-handed approach. The army has consistently called on them not to conduct such activities.

Gen. R. Hartono was replying to questions from reporters at the Headquarters of the Eighth Trikora Military Region Command in Jayapura on Tuesday (12 September) after the transfer of the post of the commander of the Eighth Trikora Military Region Command from Maj. Gen. I Ketut Wirdhana to his successor Brig.

Gen. Duniya D. The outgoing officer has assumed the post of assistant to the army chief of staff for territorial operations, while the incoming officer was previously deputy commandant of the Indonesian Army Territorial Center. The Army chief of staff accompanied by his wife and a delegation, including Maj. Gen. Tarub, commander of the Army Strategic Command, arrived in Jayapura on Monday (11 September) to attend the transfer ceremony.

According to the army chief of staff, there are only five battalions in Irian Jaya, which is three and a half times larger than Java, and which has difficult and challenging conditions. The five battalions are already adequate. This is a sign that security in Irian Jaya is good.

More people in Irian Jaya are contributing to the maintenance of security in the region. The Armed Forces of the Republic of Indonesia [ABRI] adopts the people's defense and security concept under which all people are fully involved in creating stability.

To Be Welcomed

The army chief of staff said no action will be taken against GPK members who give themselves up. They will be welcomed. Our country is based on the Pancasila ideology. "They are our brothers. I will be very happy if they realize their errors and decide to return to the national fold," he said. On the settlement of the Timika case, Gen. Hartono said an Indonesian Army team had reported its investigation to him several days ago. The dispatch of the Indonesian Army team there showed an initiative to clarify the case.

He said the armed forces commander is responsible for operations. The General Headquarters of the Indonesian Army had gathered information on the case, sent the team there, and made a report on the investigation to the armed forces commander. The armed forces commander will then assess the report of the General Headquarters of the Indonesian Army.

According to the army chief of staff, the ABRI in principle does not want to hurt the people. The ABRI's behavior cannot be judged from only the Timika case. What the ABRI has done as a whole for all people in general and for the Irian Jaya people in particular must also be taken into account. "I call on you not to see the situation tendentiously. There is an impression that the ABRI has hurt and harmed the people," he said.

Bishop Discusses East Timor Situation

BK1409064595 (Internet) INDONESIA Listserv in English 14 Sep 95

["Abridged translation" of interview with the National Council of Maubere Resistance of Bishop Belo by an

unidentified Radio Australia reporter; place and date not given]

[FBIS Transcribed Text] [Reporter]...Question missed.

[Bishop Belo] If the youths demonstrate it is because there is no ..(not clear)...amongst the army, the people, and the youths here.

[Reporter] In the matter of curtailing other religions, the Pope himself faced protests recently in Sri Lanka because his holiness said that Buddhism is not a true religion.

[Bishop Belo] Yes, they had the right to protest. However, what is happening here is different. The circumstances and the conditions of the people here are different. You can not compare the two situations.

[Reporter] Can it be said that presently the situation in East Timor, Dili in particular, is very tense?

[Bishop Belo] Yes, it is. Arrests have been carried out. The streets are patrolled. There are feelings of anxiety and fear. Yesterday I went by Manatuto. There were more than one hundred youths demonstrating. In Maliana, they burned houses, the market, and shops [which] belonged to the Muslim people there. It is a reality.

[Reporter] Is this not a political issue anymore but a religious one? Usually religious issues are more emotional than politics.

[Bishop Belo] Religion..., politics..., it is all mixed up.

[Reporter] How are you, Bishop Belo, going to recommend to the people of East Timor to be truly patient before this problem gets out of control?

[Bishop Belo] The people tell me: "We are no longer patient. We have been very patient for too long. From 1976 until now, we have been told to be patient, to wait a little longer. This slogan has no roots, no beginning, and no end. For how long does one have to be patient and to wait? The Timorese people are treated like chickens and ducks, shoo them here, shoo them there." Policies must be changed.

[Reporter] Bishop Belo, what can be done by the central government in Jakarta right now to put an end to this problem so that it does not happen again?

[Bishop Belo] Firstly, as I have always suggested, there must be a sincere dialogue with the people here, in particular with the youth, to avoid this kind of abuse and confrontation. If the dialogue only consists of empty promises, demonstrations like this will continue. It will never end.

[Reporter] Can it be said that if the Udayana Commander, Adang Rukhiatna, immediately flies to Dili, he could be successful in calming down the people?

[Bishop Belo] Hum...I do not trust him.

[Reporter] Those who have been arrested are Catholics?

[Bishop Belo] Who else? They are the youths who have been demonstrating.

[Reporter] Is this because they are members of Fretilin [Revolutionary Front for an Independent East Timor]? Or are they not Fretilin but simply people who lost their patience?

[Bishop Belo] Does it mean that for being a Fretilin, a person is destined to be arrested and tortured? You must be careful. They are still human beings. I think those who should be arrested are the military officials and the high ranking public servants, who from the beginning, allowed the situation to reach the point it is at now. Those are the people who must be arrested.

[Reporter] So what measures will Bishop Belo take to stop the current situation? If it is allowed to spread, it will surely become bad news.

[Bishop Belo] There must be a radical change of policies and attitudes from the army, the government, from everybody. We all must correct ourselves. Mistakes are not only committed by the protesters and the youths. We must acknowledge that we all have made mistakes and we are the guilty ones.

[Reporter] Bishop Belo, what is your opinion about the religious disturbances, especially the Catholic religion, which has been happening lately not only in East Timor but also in Eastern and central Indonesia? Is this an indication about something?

[Bishop Belo] Surely it is. We always speak about harmony. Harmony is very good but we don't practice it. Therefore, religious problems like this will continue.

[Reporter] We held an interview in 1993 when Bishop Belo visited Melbourne. At that time, you explicitly called on the Timorese people for reconciliation. Now, what do you recommend?

[Bishop Belo] Reconciliation is a message from the church which has a moral value. It is eternal. Reconciliation also contains the value of justice. If there is no justice there can be no reconciliation. How can the East Timorese people reconcile with the other side which does not want reconciliation?

East Timor Resistance Leader Issues Statement

BK1409063795 (Internet) INDONESIA Listserv
in English 14 Sep 95

[FBIS Transcribed Text] Being faithful to the principles of our struggle, and considering that there can be no peaceful coexistence with the occupiers of our homeland who are carrying out a physical, ethnic and cultural genocide of our people.

Being also faithful to the most supreme aspirations of the a thousand times heroic Maubere Peoples, and taking into account that these last 20 years of colonialist repression have led to our homeland to be flooded with people belonging the lowest social stratum of Indonesia. These people comprise the most uncultured and poor of Indonesia, a country seemingly unable to survive on the basis of its own development, so that it needs to usurp our land and our resources.

Faithful to the blood spilled by more than 200,000 sons and daughters of East Timor, and to the past sacrifices of our People, and considering that the colonialists shamelessly insult our Faith and our Beliefs, pretending thus to destroy the spiritual foundations of the East Timorese people.

As a war leader, unable to stop the force of our People's determination, I, Kay Rala Xanana Gusmao, leader of CNRM [National Council of Maubere Resistance] and Commander of Falintil [East Timor National Liberation Armed Forces], hereby publicly express my support to the acts of genuine revolt by the populations of Baucau, Ermera and Viqueque.

I also express my full support for the acts of rejection by the Dili population, where 52 compatriots have been detained by the colonialist forces.

I salute the three young people stabbed to death by Indonesian transmigrants.

With a clenched fist raised high, I will shout together with the whole warring youth: Out of East Timor with the Indonesian colonialists! Homeland or death! To resist is to win! The struggle continues, without truce on all fronts!

On behalf of CNRM,

Kay Rala Xanana Gusmao,
Commander of Falintil
Cipinang Prison 10 September 1995

'Significant Growth' Seen in Satellite Business

*BK1409104695 Jakarta THE JAKARTA POST
in English 4 Sep 95 p 10*

[FBIS Transcribed Excerpt] Jakarta (JP) — Indonesia's satellite business has shown significant growth since its establishment in 1976. The country has thus far secured a total of 20 slots for its satellites in International Telecommunications Union (ITU) orbits.

Minister of Tourism, Post and Telecommunications Joop Ave said that Indonesia has conducted slot coordination with several countries, including Russia which will place their satellites along with Indonesia. This coordination was established in a meeting in Moscow last month.

Indonesia is seeking to secure, at least, 24 slots for its satellites, including eight of the Palapa-B generation, four Palapa-C generation, four Palapa Pacific Satellites, four Garuda Satellites and four Indostar Satellites.

Director General of Post and Telecommunications Jakaria Purawijaya said last week that Indonesia should arrange the slot coordination or lose a slot when the launching of a certain satellite is delayed.

"Quarrels over a slot may occur if a country fails to launch its satellite on the right schedule and the country can't give any explanation. Such a problem happened in 1993 when Indonesia and Tonga disputed over the 134 eastern degree slot."

It was PT Pasifik Satelit Nusantara (PSN) which moved Palapa Pacific 1, the ex-Palapa-B 1 satellite into the slot before Tonga's ex-Russian satellite. The two countries then agreed to compromise on radio-operating bands for the slot and a partnership over a second slot.

Indonesia is now preparing the launching of the Palapa-C series, the third generation of the country's telecommunications satellites, after orbiting the Palapa-A 1 and Palapa-A 2 in 1976 and 1977 respectively. The lifetime of the Palapa-A satellites was seven years, with the latest one ending in 1983. [passage omitted on previous satellite launch]

Indonesia is currently operating three satellites Palapa-B 2P, Palapa-B 2R and Palapa-B 4. [passage omitted on previous launch]

Palapa-C 1 is scheduled for launching in early 1996 by Atlas of the United States and Palapa-C 2 by Arianespace of France about six months later.

While Palapa C satellites are in the orbit, the operating Palapa-B satellites will be acquired by PSN. It bought the expired Palapa-B 1 in 1991 and renamed it Palapa Pacific 1.

Meanwhile, Asia Cellular Satellite System (ACeS), a telecommunications firm equally owned by three telecommunications companies from Indonesia (PSN), Thailand (Jamine) and Philippines (PLDT), will also operate four geo-stationary satellites to be called the Garuda, whose slots have been also filed at ITU by the Indonesian Government.

Other satellites to be operated by Indonesia include Indostar satellites of PT Matahari Lintas Cakrawala, which will provide direct broadcast television services within the Southeast Asian region. Indostar 1 will be launched in late 1996 or early 1997 by Arianespace.

Philippines**Government Protests EU Food Transport Rules**

*BK1409074395 Manila BUSINESS WORLD
in English 12 Sep 95 p 2*

[Report by Paul N. Villegas]

[FBIS Transcribed Text] The Philippines is protesting a European Union (EU) directive which may adversely affect the country's coconut oil exports to Europe. Coconut oil accounts for nearly 40 percent of the country's total coconut exports to EU valued at some \$1 billion.

The Philippine embassy in Belgium recently sent a note verbale to the Brussels based European Commission, the EU's executive arm, questioning the aforementioned directive which seeks to impose a new and highly stringent regulation on the transport and delivery of bulk foodstuffs, including coconut oil.

Ambassador to Belgium Alberto Pedrosa said the Philippines has the "solid support" of its colleagues from the Association of Southeast Asian Nations (ASEAN), which include Brunei, Malaysia, Indonesia, Thailand, Singapore and Vietnam.

The regional grouping through the ASEAN Brussels Committee (ABC), has sent last week a note verbale to the EC's directorate-general for external economic relations to formally protest the directive.

"In full accord with the Philippine position, the ABC has appealed to the EC to help prevent the collapse of bulk food exports of Southeast Asian nations," Mr. Pedrosa said.

The EC council's directive requires "bulk foodstuffs in liquid, granular or powder form to be transported in dedicated containers or receptacles reserved for the transport of foodstuffs."

This regulation, said the Philippine envoy, "goes beyond the rules of the Uruguay Round agreement by imposing stricter measures than those prescribed by existing international standards developed by the Codex Alimentarius Commission."

The standards set by the Codex Alimentarius are approved by the World Health Organization and the Food and Agricultural Organization.

"These standards guarantee sanitary and phytosanitary protection of foodstuffs," Mr. Pedrosa said.

Members of the World Trade Organization, like the Philippines and ASEAN countries, follow the international standards of the Codex Alimentarius.

Mr. Pedrosa said the additional regulation issued by the EC council is "unnecessary and imposes additional costs, thus raising the prices to the detriment of importers and exporters alike, and endangering the worldwide system of trade and productivity which the WTO vowed to protect. [quotation marks as received]

Agriculture ministers from ASEAN earlier expressed concern on the EC directive, which is scheduled to take effect 14 December this year, saying it would adversely affect the groupings exports of foodstuffs, particularly coconut oil and palm oil, two of the more important exports of ASEAN to the EU market.

The Department of Agriculture earlier said it will consult the matter with the local coconut industry, one of the country's top dollar earners.

Ramos Rules Out Boycott of French Products

BK1409012095 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 13 Sep 95

[FBIS Translated Text] President Ramos has said French products should not be boycotted despite strong condemnation of France over its nuclear testings in the South Pacific. According to the president, he does not support the demands of some radical groups that sales of French products should be banned. The president said that the boycott would affect the country's collaboration with France on projects that concern environmental protection.

ASEAN Expansion Strengthens Spratlys Claim

BK1309120495 Manila MANILA STANDARD in English 11 Sep 95 p 4

[Report by Joem H. Macaspac]

[FBIS Transcribed Text] Senator Orly Mercado says the entry of the four Indochinese states — Vietnam, Burma, Cambodia, and Laos into the Association of Southeast Asian Nations (ASEAN) will buttress the Philippines'

claim to the Spratly group of islands in the South China Sea.

The entry of the four nations will also enhance regional security as well as hasten the region's economic development, Mercado said.

"Interaction among these countries will certainly enhance ASEAN's community... maybe a United States of Southeast Asia," Mercado said in his keynote speech at the symposium on ASEAN Comprehensive Security held at the Club Filipino by the Philippine Council for Foreign Relations.

Vietnam, which was accepted into the organization recently, has paved the way for the entry into ASEAN of the three other Indochinese nations.

Mercado said Vietnam's entry will "give momentum to the organization, creating an increasingly powerful bloc that could balance China's growing economic and political clout."

"A stronger counterweight will be established (with Vietnam's entry) should China or any other outside power seek to dominate the region or threaten its interests," he added.

Thus, this will result in a situation where ASEAN takes a position on behalf of the Philippines in relation to the Spratly Islands, Mercado, chairman of the Senate National Defense and Security Committee, said.

Myanmar [Burma] has already applied for observer status with the ASEAN.

Security Forum

Mercado said the ASEAN has also succeeded in maintaining the region's security by creating the ASEAN Regional Forum in 1993.

With the forum, ASEAN members are able to consult and coordinate with each other in specific Asia-Pacific issues at government level.

Mercado said the forum has become an effective instrument to ease tensions, reduce suspicions, and cultivate habits of consultation.

The forum has resulted, among others, in putting clashing claims on the Spratly Islands on the negotiating table, assuring that military force will not be resorted to by any of the nations, specially those with nuclear capability in pushing their claim.

That is why for the first time, China has agreed to give more information about its defense program to its neighbors, Mercado said.

This demonstrates that China has decided to have greater transparency in its military programs, he explained.

Mercado said China also agreed to increase high level contacts and exchanges between military academies, staff colleges, and training institutes with Asia-Pacific countries.

Talks on Trade, Investments Held With Indonesia

*BK1409025995 Manila BUSINESS WORLD
in English 11 Sep 95 p 2*

[FBIS Transcribed Text] The Philippines and Indonesia have agreed to conclude a bilateral Investment Guarantee Agreement during the first half of next year and to reformulate the 1993 agreement on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion.

Both governments are also eyeing the establishment of joint business councils in both countries, with their respective embassies taking the initiative, to further increase trade and investment between Manila and Jakarta.

Foreign Affairs Secretary Domingo Siazon and his Indonesian counterpart Ali Alatas held consultations last week during the Philippines-Indonesia Joint Commission for Bilateral Cooperation (JCBC) and vowed to accelerate commercial ties between the two countries.

Trade between the Philippines and Indonesia increased by an average of 15 percent from 1990 to 1994. Last year, total trade between the two reached \$437.8 million, with the trade balance in Indonesia's favor.

Philippine exports to Indonesia totalled \$72.3 million while imports amounted to \$365.45 million, leaving a negative trade balance of \$293.12 million in favor of Jakarta. Exports to Indonesia registered an average growth rate of 4.38 percent from 1990 to 1994 while imports recorded an averaged growth rate of 19.11 percent.

Both officials said their talks devoted special attention to the promotion of trade and investments and the strengthening of bilateral links in the Brunei-Indonesia-Malaysia-Philippines East ASEAN (Association of Southeast Asian Nations) Growth Area (BIMP-EAGA).

Specifically, the two officials and their delegation members focused on shipping, aviation, facilitation of cross-border trade, tourism, and the establishment of networks among research and development centers.

"The meeting was another landmark in our bilateral relations. The agenda demonstrated how broad the relations are between our two countries and how wide the

range of concerns and interests that demand cooperative undertakings between our governments and the private sectors," Mr. Alatas said.

He said the success of the economic activities both governments vowed to pursue will have a "tremendous positive impact" on the economies of both the Philippines and Indonesia.

"In this first meeting of ours, we have made no spectacular advances and no rousing pronouncements... our purpose has been to lay down a solid foundation for the detailed work that lies ahead. We came to make a beginning and we just made one, auspicious enough to justify our continued enthusiasm and sustain our high hopes," Mr. Alatas said.

For his part, Mr. Siazon said the private sectors of both countries must form joint business councils as soon as possible in order to provide their respective business communities fresh exchange of views and other economic undertakings.

In the case of the EAGA framework, he said the involvement of Mindanao and Manado, along with Brunei and Malaysia's Sarawak, "can foster durable and mutually profitable interlinkages at all levels and in all fields."

During the JCBC meet, a draft memorandum of understanding on cooperation in forestry was initiated by the two foreign ministers, covering cooperation in the development of forest plantations, natural forest management, people oriented forestry, tourism, forest protection, and the processing and marketing of forest products. The cooperation would be undertaken through the exchange of information, visit of officials, scientists and business people, and research and development.

The two sides also agreed to establish a working group on agriculture to work out cooperative measures pertaining to crops, livestock and dairy, fisheries, post-harvest handling and processing, and coastal resource management.

They agreed to exchange expertise and technology in geothermal energy and in coal exploration, mining technology, and coal preparation. Both panels discussed the question of stable coal supplies from Indonesia to the Philippines. The latter is expanding the use of coal for power generation.

They also urged their respective civil aviation authorities to exert efforts to conclude their consultations on the expansion of air services for both passengers and cargo between the two countries.

The meeting, according to an official statement from both sides, stressed the importance of communication

linkages in view of the rapid developments in the EAGA. Officials cited the need for cooperation in upgrading expertise in telecommunications in both countries and for harmonizing policies and regulations in telecommunications.

"Noting the importance of cooperation in science and technology among developing countries, the (two sides) agreed to review the 1974 science and technology agreement to enhance and accelerate its implementation," the aforementioned statement said. The two panels agreed to begin discussions on specific areas of science and technology for collaboration in the "near future." Apart from economic issues, both delegations also discussed political and security matters in the region.

Minister Views ASEAN Membership

BK1309130995 Quezon City MALAYA in English
11 Sep 95 p 2

[Report by Jean Magdaraog]

[FBIS Transcribed Text] Indonesia's Foreign Minister Ali Alatas has opposed President Ramos' proposal to include Australia and New Zealand in the Association of Southeast Asian Nations, saying it is uncalled for.

"We (Indonesia) don't need a new special arrangement for it. As we see it, ASEAN has the foresight already by being active in the Asia Pacific Economic Cooperation and by initiating the ASEAN Regional Forum," Alatas said during the RP [Republic of the Philippines]-Indonesia Joint Commission for Bilateral Cooperation.

During his trip to Australia, President Ramos called for the inclusion of Australia and New Zealand to ASEAN to act as a counter-balancing force against powers like China and United States.

"Of course, what President Ramos has said has always been a thought that is much alive to governments of medium and smaller powers. They have always wanted to have a greater say in world affairs. That can only be achieved if there is some unity and coordination among them," Alatas said.

Alatas was in Manila for the RP-Indonesia Joint Commission for Bilateral Cooperation. The two governments discussed trade, investment, political, and security relations.

Urges U.S. Role in Spratlys Talks

BK1309120695 Quezon City MALAYA in English
11 Sep 95 p 2

[Report by Jean Magdaraog]

[FBIS Transcribed Text] Indonesia has said powerful countries not claiming the Spratly Islands, like Japan

and United States, should take part in future workshops on ways to avert conflicts in the contested island chain.

Indonesian Foreign Minister Ali Alatas said the two countries' inclusion is necessary because they use the South China Sea for their trade transactions.

"Indonesia would say it is logical to ask the heavy-traffic countries to participate in our deliberations," Alatas also said.

He said the two countries' participation in future workshops would strengthen international efforts to work for a peaceful solution to the conflict.

Alatas, however, said the inclusion of Japan and United States must first be agreed upon by all the claimants.

"It all depends, of course, on the consensus of all other countries. We work in the basis of consensus," he stressed.

During the recent ASEAN Regional Forum, Beijing expressed willingness to talk about the overlapping claims to the Spratlys but stressed that non-claimant countries like the United States should not interfere.

Indonesia is set to host the 6th meeting on the Workshop on Managing Potential Conflict in the Spratlys in Indonesia.

Government Sincerity on IMF Questioned

BK1309120295 Manila BUSINESS WORLD
in English 11 Sep 95 pp 1, 9

[Report by Sheila A. Samonte: "Is the gov't threat to cut short IMF's 3-year program for real?"]

[FBIS Transcribed Text] A patriot's line or an old bargaining tack.

It really depends on how one views the latest pronouncement of the country's economic managers to cut short the Philippines' three-year program with the International Monetary Fund.

Halfway through the program's completion and mostly failures to keep up with the money targets, economic officials are talking tough — again.

Bangko Sentral [Central Bank] Gov. Gabriel C. Singson, a lawyer and head of the Philippine negotiators, said they will have to study the option again before the IMF reviews the economy's performance in March next year. The program, signed in June 1994, will end in June 1997. If the early exit happens, there may now be a ring of finality to it. It should be the Philippines' strongest signal to investors that it will now cease to be an international beggar.

But the pronouncements, made against the backdrop of rising oil and commodity prices that raised fears of missing the 6.5% inflation target for the year, may be anything but real.

"They do that every time we can't keep up with the IMF's targets. But what happens afterwards? Our economic managers just go back to the negotiating table," said University of the Philippines professor Leonor Briones of the advocacy group Freedom from Debt Coalition (FDC).

The last time negotiators talked tough was in December last year when the government requested for adjustments in money targets. Since the targets were based on a much conservative growth target of 3.5%, the officials argued these may choke an already "overperforming" economy.

A confident Socioeconomic Planning Secretary Cielito F. Habito then told a regional conference of economists the Philippines' credibility and credit standing with the international community "will not suffer" if and when the country junks the program earlier than scheduled.

"The IMF has been proven wrong in the past in terms of setting economic targets and I feel that we should now let our track record stand on its own," Mr. Habito was quoted as saying.

Blackmail

On record, Mr. Singson said an early exit may be "tantamount to blackmail." But, as he would later admit, everything was a farce. It was a negotiating ploy the Philippines had to use to get the IMF agree on the adjustments.

Eventually, the IMF did.

It was a sharp departure from the IMF's usual conservative stance, but IMF resident representative Howard Handy said, "We are realists. We are confronted by a fast-growing economy."

This time, however, economic officials may find it hard to bargain. Latest macroeconomic indicators point to an economic slowdown, and this is happening in spite of the leeways under the program. The agriculture sector continues to turn in its worst performance in two years. In a country where food commodities make up about 90% of the consumer price index, any underperformance in the sector is enough to fuel inflation jitters.

To make good on the 6.5% annual inflation target, monetary authorities are trying another tack. They are allowing interest rates to gradually rise to create a demand for the greenbacks and the peso to artificially

appreciate. This way the cost of goods, which is inflation, will be lower.

The tack may work, but not for the longer term.

Ms. Briones said the solution is for officials not to bargain again. "If we say we will junk the IMF program, then we say: Just do it!"

UK Grants 1 Billion Pesos in Aid for Bridges

BK1409065395 Manila PHILIPPINE DAILY INQUIRER in English 12 Sep 95 p 3

[FBIS Transcribed Text] London has ordered the release of P [Philippine pesos] 1 billion to fund the rehabilitation, reconstruction and building of 131 bridges in six different regions, including the devastated Mt. Pinatubo areas.

In a meeting recently in Malacanang, Baroness Linda Chalker, minister for overseas development, told President Ramos about the release order. Chalker was in Manila for two days early this month.

The president considered the project as one of his highest priorities, even creating the Presidential Task Force on Bridges to draw a major program for bridge construction in the country.

In a statement, the British Embassy said the task force is working closely with Mabey and Johnson Ltd. [MJL], a British company, to speed up the project.

MJL is a major British engineering group and a world leader in the supply of modular steel bridges.

During her visit, Chalker also signed with Foreign Secretary Domingo Siazon a P2-billion concessional financing agreement.

The two governments have already started discussing projects for which the money will be used.

President Signs Framework Act for Infrastructure

BK1409093795 Manila MANILA STANDARD in English 9 Sep 95 p 3

[Report by Fel V. Maragay]

[FBIS Transcribed Text] President Ramos yesterday signed into law the P [pesos] 173.5 billion Public Works Act (Republic Act [RA] 8150) which provides the framework for the infrastructure program within a four-year period.

The president said the law ensures "equitable distribution of opportunities for progress" in terms of highways, bridges, and other public works projects.

"With this law, we now possess a multi-year framework that ensures continuity and coherence in the yearly programming of infrastructure projects funded under the general appropriations acts," Mr. Ramos said.

The signing of the landmark law was witnessed by Senate President Neptali Gonzales, Speaker Jose de Venecia Jr., Senator Ramon Revilla (chairman of the Senate Committee on Public Works), Representative Victor Ortega (chairman of the House Committee on Public Works), and Public Works and Highways Secretary Gregorio Vigilar.

Revilla, principal author of the RA 8150 said the new law is expected to trigger huge infrastructure spending that will pump prime the economy.

"I feel elated and ten feet taller because at last, my pet bill for which I have worked hard for the past two years has finally been approved," he said.

Identify projects

Revilla confirmed that under the law, each senator is authorized to identify P60 million worth of infrastructure projects and each congressman, P20 million per year.

The law institutes in the medium term the construction and improvement of vital roads, flood control, and other infrastructure. It also aims to broaden the country's physical foundation and boost efforts to improve access and productivity.

The P173.5 billion outlay under the law will be distributed to the following projects: P83 billion for national arterial roads; P33.9 billion for national secondary roads; P25.6 billion for local roads; P15 billion for flood control; and, P16 billion for other public works.

The law aims to pave and improve all national arterial roads to international standards; interconnect all municipal centers to the arterial roads through paved secondary roads; interconnect all barangays [villages] to their municipal centers through all-weather roads; and, control or decrease the incidence of flooding in major river basins.

It also seeks to achieve throughout the country an overall road density of one kilometer per square kilometer of land, which is almost double the present rate of 0.54 kilometer per sq. km.

The law authorizes the government to improve and pave approximately 8,900 kms. of national arterial road system.

Among the prioritized areas for this system are the regional growth centers, including the Northwestern Luzon Quadrangle, Tuguegarao-Iligan Corridor, Clark and Subic special economic zones, Calabarzon, Marilaque, Naga-Legaspi, Iloilo-Cebu, Tacloban, Davao- General

Santos, Cagayan de Oro-Iligan growth corridors, and other key centers in Mindanao.

Secondary roads

Some 5,600 kms. of national secondary roads will also be improved through the law.

The law's flood control component provides for the construction of protective structures such as levees, channels, river walls, revetments, and related structures along principal river basins to reduce losses of life and property due to flooding.

Revilla said the law ensures full transparency in the implementation of projects. "All projects must undergo competitive bidding to prevent overpricing and graft. Moreover, all contracts must be published and posted to allow maximum transparency," he said.

Private Sector Proposes Growth Area With PRC

BK1409052495 Manila PHILIPPINE DAILY
INQUIRER in English 12 Sep 95 p B1

[Report by Corrie S. Narisma]

[FBIS Transcribed Text] Private sector groups in the Philippines and the People's Republic of China are pushing for the establishment of a new growth area that will involve northern Luzon and south China.

Julius Caesar Parrenas, director of the University of the Asia and the Pacific's (UAP) Institute for International and Strategic Studies, said the growth area is hoped to become the alternative site for Hong Kong-based foreign investors who may opt to relocate once Hong Kong reverts to China in 1997.

Parrenas said discussions between Manila and Beijing on the plan are underway.

"We are positioning ourselves so we can expand and facilitate trade access to the huge Chinese market and attract investors," he said.

Under initial plans, he said the growth area will be composed of five south China provinces such as Fujian, Guangdong, Hainan, Guanxi and Yunnan and the northern Luzon provinces from Bulacan to Batanes.

One of the major features of the planned growth area is an open-sky policy among its member-areas.

He said UAP and the Chinese Academy of Social Sciences will hold a conference in Manila in November this year on "Expanding Asean-China Economic Relations."

Parrenas said both countries are expected to decide on a proposed study for the establishment of the growth area

and by January 1997, the two countries are expected to sign an agreement to implement the plan.

He said there are also proposals to include Taiwan in the project but a scheme will have to be devised so that the growth area plan would be implemented without touching the political issue concerning the one-China policy.

Parrenas said the inclusion of Taiwan in the plan will boost the prospects of the growth area because of the presence of several Taiwanese investors in northern Luzon.

The proposed growth area will be designed to cater to investors from Taiwan, the United States, Japan, Europe and Korea.

Thailand

Drug Probe Warns U.S. on Cooperation

BK1409044495 Bangkok THE NATION in English
14 Sep 95 p

[FBIS Transcribed Text] Former foreign minister Thanat Khoman yesterday officially became head of a high-level panel to investigate US drug charges against Thai politicians, and immediately warned Washington the allegations would backfire if it refused to cooperate.

"I will request US evidence. If they don't cooperate, I have my own way to destroy their credit," said Thanat, one of the most prominent critics of America in Thailand.

The Banhan administration's unilateral inquiry made a shaky start, however, as some panel appointees were caught unaware and others even openly questioned the idea. The opposition, meanwhile, heaped sarcasm on the government, saying the investigation's results would prove nothing.

"This is like a sand castle. Superficially it's beautiful, but there will be no substance," said Democrat Alongkon Phonlabut.

The panel brings together related authorities at the highest level, such as the attorney general, the police chief, the antinarcotics chief and the permanent secretary for foreign affairs.

But with Washington's refusal to yield key evidence, because of the provisions of the American privacy act, commentators doubt the wisdom of the one-sided investigation.

A "guilty" verdict would have dramatic political repercussions, while a "not guilty" ruling could be easily seen as just a government ploy to whitewash senior politicians hounded by the allegations.

Prime Minister Banhan Sinlapa-acha yesterday reiterated the need to help the two senior Chat Thai members accused by Washington — Deputy party leader Watthana Atsawahem and chief adviser Narong Wongwan.

"We can't let this scar remain with the accused for the rest of their lives. We are just abiding by the simple rule of conducting an investigation after an accusation has been made," he said.

Banhan emphasized that he trusted the "neutrality" of Thanat, and that the panel was made up of the most senior and reliable officials.

But some commission members admitted yesterday they were not even prepared. Ex-Supreme Court president Banyat Suchiwa and another panel member who did not want to be named said they had not been approached beforehand.

Banyat voiced concern about legal aspects. Unlike the Constitution Tribunal, the commission's ruling would not be legally binding, he pointed out.

"I don't think the inquiry's findings can be used in court or have legal effect," Banyat said.

Charan Phakdithanakun, secretary-general of the Judicial Affairs Division and a commission member, cautiously lauded the idea but warned politicians against using prominent names to absolve themselves.

"When legally there is a dead-end (because the United States refused to give evidence), this kind of inquiry could provide a way out," he said. But first the government must show its sincerity, he added.

"I will look into details of the commission's power. I will have to reconsider if this is found to be just a politically motivated move which won't benefit the public," Banyat said.

Most academics interviewed by The Nation said the inquiry would have no international credibility, and locally the probe could play into the opposition's hands no matter what the final results.

Compounding the credibility problem of the commission could be the outspokenness of its chairman, who yesterday said his job description was to protect Thailand's sovereignty.

"I took the job as a Thai citizen trying to fend off interference in the country's domestic affairs by a foreign government," Thanat said. "I will defend Thailand's credibility in the eyes of the international community and fight violations of Thailand's sovereignty by a foreign government."

Thanat was once considered to be pro-American. He and Banhan disclosed that the commission would also investigate charges against several other politicians.

Narong and Watthana yesterday solemnly welcomed the government's initiative. The deputy Chat Thai leader said he had pushed for the inquiry from the beginning.

"I want to prove myself," Watthana said. "If I'm guilty, jail me. If I'm innocent, I must enjoy my rights as an innocent man."

Both politicians were barred from sitting in the Banhan Cabinet primarily because of the drug allegations and a US warning that making them ministers could "complicate" bilateral relations.

As the United States is unlikely to recognize the findings of the unilateral investigation, observers foresee a major international conflict if Watthana and Narong join the Cabinet after being "cleared" by the Thanat panel.

No Delay in Appointment of Envoy to Paris

*BK1409073995 Bangkok THAILAND TIMES
in English 14 Sep 95 p 1*

[FBIS Transcribed Excerpt] Bangkok — The Foreign Ministry will not listen to a call by anti-nuclear activists to delay the appointment of the new Thai ambassador to Paris in protest against the French government over its recent resumption of nuclear testing in the South Pacific.

"The ministry will appoint the new ambassador definitely and as soon as possible," Foreign Minister M.R. Kasemsamoson Kasemsi said yesterday.

He said Thai people should differentiate between bilateral relations between Thailand and France and the public dissatisfaction against the nuclear testing.

The foreign minister earlier said it was unnecessary for Thailand to individually voice opposition to the French action since Thailand was not self-reliant.

When M.R. Thep Thewakun was promoted as permanent secretary in July, the Paris Embassy needed a new envoy and the position is expected to be filled soon. [passage omitted]

Laos Seeks Cut in Import Duties on Produce

*BK1409052195 Bangkok THE NATION in English
14 Sep 95 p A 8*

[FBIS Transcribed Text] Laos has asked Bangkok to further reduce import duties on the 16 agricultural products it exports to Thailand, the chairman of the Trade and Industry Council said yesterday.

Sisouk Sisombat said after a meeting with Foreign Minister Kasemsamoson Kasemsi the further reduction would boost the Laotian economy and benefit Thais.

A 10-member Laotian delegation on a four-day visit at the invitation of the Foreign Ministry made the request yesterday. The visit is scheduled to finish tomorrow.

Sisouk said Thailand last year complied with earlier requests to reduce import duty to 20 per cent on products like soya beans, jute and processed wood, but Vientiane wanted special consideration and a reduction in duty to only 0.05 per cent.

Vientiane had also sought confirmation of Thailand's intention to purchase electricity from Laos, he said.

The Thai Ambassador to Laos, Somphan Kokilanon, said Kasemsamoson agreed in principle to the further reduction of tariffs on agricultural goods in light of the benefits both countries would gain from Thailand's purchase of electricity.

Kasemsamoson told the delegation that Deputy Prime Minister Amnuai Wirawan was in the process of inviting his Lao counterpart, Khamphoui Keoboulapha, to visit Thailand early next year to discuss the issue.

The envoy quoted Kasemsamoson as saying Laos would eventually join the Asean Free Trade Area, where its products would not be subject to any import duties.

Defense Exhibition Opens in Bangkok

*BK1409065295 Bangkok BANGKOK POST
in English 14 Sep 95 p 6*

[Report by Micool Brooke]

[FBIS Transcribed Text] Defence Asia '95 which opens today is the most significant commercial defence sector event in Thailand and highlights the importance of regional engagement for material and logistical cooperation among neighbours, according to a senior Australian Embassy official.

Australian Trade Commissioner Robert Bridge said Australia's display at the exhibition will be a showcase of high technology weapons and defence systems which tests proved are the most suitable to be deployed in the region.

The 15 Australian companies competing for multi-million baht contracts at Defence Asia '95 will exhibit leading edge technology in the defence industry.

He said Defence Asia '95 is an ideal opportunity for Australian defence industry companies to show high-technology hardware to the Thai market.

"The exhibition is particularly timely following the recently released White Paper which, among other things, highlighted the importance of regional engagement for material and logistical cooperation with our neighbours," he said.

Australian items on show include communications and surveillance products, and niche market electronics applications, he said.

Australian defence force companies are at the forefront of technology and have been since the establishment of the Woomera Rocket Range and the Weapons Research Establishment in the 1950s.

The Australian Government continues its support through the Defence Science and Technology Organisation (DSTO) which is the largest defence research group in the Southern Hemisphere, Mr Bridge said.

"Innovations from DSTO are licensed to Australian private sector companies for commercial development and to a significant extent the Australian defence industry underpinned by DSTO," he said.

"Over the past decade Australian defence industry capabilities have grown to such an extent that in many fields, especially surface ship and submarine construction, it can compete with or is the best in the world."

Improvement to Money Laundering Bill Urged

*BK1409052395 Bangkok THE NATION in English
14 Sep 95 p B 4*

[FBIS Transcribed Text] The Finance Minister has indicated he might be in favour of a money laundering bill drafted by the Chuan Likphai administration, but ignored by the current Parliament.

A recent study by the Research Department of the Bangkok Bank has come to a similar conclusion; namely that financial institutions will most likely have to accept the law because the country must abide by international conventions regarding the handling of illegal money.

The researchers believe the government should improve and clarify some points in the draft and introduce it gradually with flexible rules and measures. Because it is new, the law could affect not only financial institutions but also their customers, investors and the general public.

The Research Department concluded that several significant points are missing from the draft bill. For example, the report does not specify the number of transactions that can be recorded by customers, a recording format or how specific reports that deal with cash expenditure must be. In addition, the structure and status of insti-

tutions involved directly with information concerning concealment or conversion of assets derived from unlawful acts is not clearly indicated.

Furthermore, the politically appointed Finance Minister is empowered to appoint officials and issue relevant ministerial rules and regulations. But the most important point is that the extent of crime is not distinctly defined — should the focus only be on the drugs trade, as is the case with the existing law, or cover other crimes such as trade in contraband, prostitution or arms.

Important repercussions from the money laundering law on financial institutions, as summed up by the bank researchers, are:

First, the costs and burden of commercial banks will increase if they are required by the law to record, report, inspect and improve their information system and to properly train their personnel. Due to the fact that Thai commercial banks operate under a branch system and that Thai customers prefer to use cash for their transactions, there will be a large number of transactions to report.

Second, whether financial institutions are adequately protected under this law remains to be clarified. Supervisory control over low-level operations is difficult due to the large number of branches. As a result, an operations error at a low level could result in the bank being penalized under both civil and criminal laws. In addition, the existing law and the proposed bill disagree on such matters as client confidentiality. The proposed bill, therefore, should indicate clearly the extent to which a customer's confidential matters could be disclosed.

Third, it has not yet been decided which commercial bank financial transactions would be considered money laundering. This is important in the sense that commercial banks would have to prepare measures beforehand to prevent intentional or accidental operational errors. So far the draft bill is comprised of only generic terms for the punishment of commercial banks:

— Non-compliance with general regulations — Failure to provide customer identification, address or factual records or suppressing evidence of transactions which exceed predetermined limits would result in fines for banks. In the case of a failure to provide information or to submit an explanatory letter or other documents the penalty will be both imprisonment and a fine.

- Operations that may concern or involve money laundering — The penalty is both imprisonment and fine. This part of the bill includes bank services which could be related to money laundering. These include money transfers, debt payments, deposits and withdrawals. Moreover, a commercial bank's intention to

aid a criminal, or to commit a crime itself, or to co-conspire with others in illegal activities would possibly subject even the board of directors to

Editorial Cautions Against Provoking Military

*BK1409080595 Bangkok THAILAND TIMES
in English 14 Sep 95 p A 4*

[Editorial: "Over-Reacting and Overkill"]

[FBIS Transcribed Text] Overkill can happen when one has an over-zealous attitude or believes that certain situations have to be nipped in the bud once and for all. However, those who attempt to do too much usually disregard whatever negative consequences may follow.

Hence the wisdom of the sage cautions that overkill has to be avoided.

In the context of Thai culture, one should not try to break the handle of a chop-knife with one's knee, meaning that sobriety should be exercised and things should be handled with care and prudence rather than a hot-blooded method which may turn out to be detrimental for the very objective one has in mind.

This moral lesson could be applied to the present situation in which the military has been held to account for the bloody events of May 1992. At present, the military has been keeping a low profile, but it seems that the political element for some reason has been trying to drag the military into the realm of politics.

To start with, the annual reshuffle which has been set is likely to be changed due to the change of government and due to the fact that a new minister of defense is now in control. That the radio program called Sayammanutsati came out to criticize the government for its inability to resolve the rising consumer prices could be interpreted as displaying its displeasure against an attempt to meddle into the annual reshuffle list of the army.

That the government and the minister of defense are entitled to have a say in the military reshuffle goes without saying. But in the context of Thai politics, one has to admit that the military has been and will be a factor to be reckoned with. Unless it is extremely necessary, we would be better off letting the military stay outside of politics which has so far been the case.

One way to do this is to allow it to carry on its business. Dragging the military into the political realm does not bode well for political stability and the prospect of a smooth operation of a democracy.

Secondly, the military is time-honored and age-old. Its dignity should not be transgressed upon. Any time an individual makes contemptuous remarks against the

military or commits an act which threatens the dignity of the military organization, it creates a backlash leading to political tension and can even deteriorate into something worse. Thus, mutual respect should be the rule here.

Third, whenever a civilian government is weak or engages in internal bickering to the extent of threatening national security, or engages in corruption which alienates the people, the military finds a pretext to come in to right the wrong. Unjustifiable as such an excuse may be, the fact remains that at times the people welcome such intervention only to regret it later. The case of the 1991 coup was a good example.

Last, when the military is unable to resolve conflict within their own organization, they might attempt to seize state power in order to have full control and get rid of their adversaries. But such a situation is now rare.

What should be heeded is that while the military has vowed not to get involved in politics, it is not a bad idea to let a sleeping tiger lie rather than bothering it until it wakes up and causes trouble. This is a simple moral lesson which is generally ignored by the power wielders.

Vietnam

Bosnia Air Strikes Called 'Dangerous Precedent'

*BK1309145895 Hanoi Voice of Vietnam in English
1000 GMT 13 Sep 95*

[FBIS Transcribed Text] The major daily Vietnamese Communist Party newspaper NHAN DAN on Wednesday ran an editorial warning the dangerous precedent of the NATO air strikes proceeding in the Bosnian war. The NHAN DAN editorial said the United States' use of strength will not assist the Bosnian peace process in the long term. The newspaper noted that while the United States and its NATO allies decided to bomb Bosnian Serb forces in retaliation for the killing of civilians in Sarajevo, they themselves were causing more suffering to the Bosnian civilians as they were bombing populated areas, civilian projects, and hospitals.

Observers noted a number of reasons for the decision taken by the U.S. and NATO to begin the air strikes. Firstly, there are presidential elections due in the United States in 1996, and President Clinton wants to solve the Bosnian crisis before the elections. Secondly, French President Jacques Chirac supported the U.S. stance to use force to bring pressure upon warring factions to sit at the negotiating table. Thirdly, the United Nations forces in Bosnia are huddled together in southern areas to avoid being kidnapped and hostaged and be used as gun porters against future NATO air strikes. And finally, the NHAN DAN editorial noted that Bosnian Serb forces

were faced with many difficulties having been defeated in Krajina. They were suffering from inner division and tiredness, and [word indistinct] without support from the Serb Republic. In such a situation, the United States and its allies thought that military pressure would be an effective measure to promote a solution to the clashes.

However, reality over the past two weeks of war shows that NATO bombing and U.S. Tomahawk air strikes on Serbian forces only sharpen the dispute between Russia and the United States and NATO in the settlement of the issue. The Russian president said he would take necessary measures to protect the Serbs in Bosnia. The National Duma Institute, or Russian parliament, demanded that President Boris Yeltsin should sign the declaration not to take part in the international sanctions against the new Yugoslavia and should stop taking part in NATO cooperation program for peace.

The United States and NATO may be successful in forcing warring factions to sit at negotiating tables by military means, but NHAN DAN argues it will inflict more civilian casualties, complicate the situation, and will lead to an inappropriate solution. The daily NHAN DAN concluded by saying the clashes in the Bosnian conflict could only be solved through peaceful negotiations, taking into consideration the interests of all nations living in the region.

International Rail Station Opens on PRC Border

*BK1409103895 Hanoi Voice of Vietnam in English
1000 GMT 13 Sep 95*

[FBIS Transcribed Text] A new international railway station has been opened at Dong Dang in Lang Son Province on the border with China. The station, not far from the Vietnam-China border, is the first station on the line to Hanoi and Ho Chi Minh City. It is also the international station for trains departing from Vietnam for China and on to the East European countries. The station, including customs and inspection facilities, will have an important role in developing the country's economy.

Commentary Views Delegation's Indonesia Visit

*BK1409061295 Hanoi Voice of Vietnam in English
1000 GMT 12 Sep 95*

[Station commentary]

[FBIS Transcribed Text] As mentioned in the news bulletin earlier, a Vietnamese National Assembly delegation led by Chairman Nong Duc Manh arrived in Jakarta on Monday afternoon. The visit is aimed at boosting relations between Vietnam and Indonesia. Here is our radio editor's opinion:

The visit to Indonesia by a senior Vietnamese parliamentary delegation is taking place after both countries have celebrated their 50th national day, and with Vietnam having become a full ASEAN member. It shows that Vietnam is continuing to integrate into ASEAN, and that Vietnam-Indonesia relations are speedily and firmly developing. It also demonstrates that Vietnam is realizing its diplomatic policy of independence, sovereignty, peace, friendship, and cooperation in the region and the world.

Indonesia is the largest island country in the world. It comprises more than 13,000 islands and has a population of over 190 million. Over the last few years, Indonesia has been able to maintain a steady economic growth. GNP per capita is now \$885, and it is expected to reach \$1,000 by the year 2000.

Vietnamese people have always admired and felt proud of the achievement of the Indonesian people, and considered friendly relations with Indonesia a basis to promote economic and trade relations between the two countries. Indonesia now ranks 16th of all countries investing in Vietnam, with a total invested capital reaching \$190 million this year. Most of the projects focus on banking, mining, and chemical industries. Indonesia is also Vietnam's second largest partner in the ASEAN grouping.

The visit to Indonesia by the senior Vietnamese parliamentary delegation, and also Vietnam joining ASEAN, are strong opportunities for continued development of bilateral relations in all aspects for common regional prosperity.

Commentary Views Joint Meeting With Cambodia

*BK1309135795 Hanoi Voice of Vietnam in English
1000 GMT 11 Sep 95*

[Station commentary]

[FBIS Transcribed Text] The first session of the Vietnam-Cambodia Joint Commission for Economic, Scientific, and Technological Cooperation was held in Hanoi during 8-10 September under the co-chairmanship of Vietnamese Foreign Minister Nguyen Manh Cam and his Cambodian counterpart, Mr. Ing Huot.

Here is our report on the event:

The first meeting of the Vietnam-Cambodia joint commission in Hanoi was part of the new positive development in relations between the two countries since the new administration headed by King Sihanouk took power in Cambodia. It was also a result of the exchange of high-level visits by Vietnamese President Le Duc

Anh and Prime Minister Vo Van Kiet and Cambodian Co-Prime Ministers Norodom Ranariddh and Hun Sen, and the forthcoming Vietnam visit by King Norodom Sihanouk himself.

During those visits, leaders of the two countries affirmed their determination to consolidate and strengthen traditional relations after sharing much in the struggle for national independence and national construction. At the joint commission in Hanoi, the two sides reviewed the implementation of the agreement reached between their leaders and the accord signed between the two countries in recent years. They compared notes on ways to further promote their neighboring relations and mutually beneficial cooperation in economic development, trade, agriculture, forestry, fishery, transport, finance, posts and telecommunications, training and education, culture, information, and tourism.

The two sides also welcomed cooperation between the two capitals, Hanoi and Phnom Penh. The two sides highly valued Vietnam's full membership and Cambodia's observer status of ASEAN, which they believed would help create new opportunities for cooperation between the two countries. The two delegations agreed to increase the number of meetings at different levels and branches and to step up bilateral cooperation and solve outstanding issues in a spirit of mutual understanding. The session agreed that the two countries' group of border experts would meet in the fourth quarter of this year and a third joint working session on immigration issues is planned for October in Phnom Penh.

Vietnamese Foreign Minister Nguyen Manh Cam and his Cambodian counterpart, Ing Huot, signed an agreement on tourism cooperation and a protocol on education cooperation for the period 1996-2000. Both sides agreed to step up preparation for the early signing of the agreement on air transport, consular matters, and road transport. The next session of the joint commission will be held in Phnom Penh.

Buddhists Urge Release of Banned Followers

*BK1409052595 (Internet) SEASIA Listserv in English
13 Sep 95*

[Press release issued by the Vietnam Committee on Human Rights in France on 13 September]

[FBIS Transcribed Text] 280 monks, nuns and followers from the State-sponsored Viet Nam Buddhist Church have signed Petition calling for release of Thich Quang Do and other UBCV [Unified Buddhist Church of Vietnam] Buddhists:

Following the conviction of Venerable Thich Quang Do and five other monks and lay-persons from the banned

Unified Buddhist Church of Vietnam (UBCV) on August 15th 1995 for their involvement in a Rescue Mission for flood victims, a split has appeared between members of State-sponsored Vietnam Buddhist Church (VBC). Whereas the official VBC publication "Giac Ngo" (Illumination, no.113, September 1st 1995) virulently accused "Dang Phuc Tue and his group" (Dang Phuc Tue is Thich Quang Do's secular name) of "slandering the regime", "colluding with bad overseas elements" and "distributing reactionary propaganda", thirty nine prominent monks and nuns and 241 VBC Buddhists from 39 VBC pagodas in 13 wards and districts in the Ho Chi Minh City area have signed a petition calling for release of the six Buddhists, denouncing the trial as "unlawful and unfair".

The Petition, dated September 10th 1995, was addressed to SRV President Le Duc Anh, Prime Minister Vo Van Kiet, Party Secretary Do Muoi, to the UN Human Rights Commission and to "democratic governments throughout the world". It was sent clandestinely to the Vietnam Committee on Human Rights for forwarding. Calling on the authorities to urgently review the cases of Thich Quang Do, Thich Khong Tanh, Thich Nhat Ban, Thich Tri Luc, Nhat Thuong and Mrs Dong Ngoc, who were condemned to prison sentences ranging from 2 to 5 years on charges of "dividing religious solidarity" and "taking advantage of democracy and freedom to damage the interest of the State and social organisations", the Petition deplored that "the defendants were condemned for crimes they never committed. We have never heard of this happening in countries which truly respect democracy and the rule of law". "Not only was the trial held in camera, but the Buddhists and people of Ho Chi Minh City were not notified in advance, nor permitted to enter the Court. Nor even close relatives of the defendants were allowed to attend. Moreover, fifty monks, nuns and Buddhists from the Ho Chi Minh City area formerly involved in the UBCV Rescue Mission were arrested by Security Police and detained in custody for two days from the morning of August 14th until 5:00 pm on August 15th when the trial was over. The Police gave no reason for their arrest".

The Petition further denounced the harsh security measures deployed by the authorities against Buddhists coming to attend the trial. "From 6:00 am on August 15th, a thousand Buddhists gathered in front of the Court. But a cordon of Security Police and Mobile Police brutally pushed them back and forced them to disperse [...]. These people had simply come there to find out the truth, and see if justice was being done, so why were they repressed ?..." "If you [the Vietnamese leaders] are the true guarantors of justice in our land, why did you not hold this trial according to correct standards

of international law, and allow the defendants access to defence counsel of their own choice?" "We strongly protest that religion traditions were not respected at this trial: the monks were not allowed to wear their religious robes, and they were addressed by their secular names throughout. Furthermore, the State used the official press and media to judge them guilty before the Court sentence was ever pronounced. This is clear violation of article 72 of the Constitution which guarantees the right of all citizens to be presumed innocent until proved guilty". "We are also deeply concerned by the ambiguous and contradictory nature of the court charges. These dignitaries were convicted of criminal offenses, yet the charges laid against them by the Head of the Ho Chi Minh City People's Organ of Control referred to simple acts of religious expression. These are not crimes, but legitimate rights guaranteed by our country's Constitution".

"In conclusion, we call upon the Vietnamese Government to take urgent measures to restore Justice and Human Rights to Vietnam, and respect the policy of renovation and reconciliation so often proclaimed by our leaders. Specifically, we call for immediate and unconditional release of the Buddhist dignitaries and lay-persons named above". This is the second time this year, that Buddhists from the State-sponsored VBC have called publicly for the release of leaders of the banned UBCV. Recently, 49 prominent VBC monks and nuns from the province of Binh Dinh signed a Petition calling for the release of UBCV Patriarch Thich Huyen Quang, who is still under detention without charge in the province of Quang Ngai.

The Petition is signed by 241 lay-Buddhists and 39 prominent monks and nuns from 39 VBC Pagodas in 13 wards and districts in Ho Chi Minh City area: Venerable Thich Pho Chieu, Superior Monk of Dai Hanh Pagoda; Ven. Thich An Ngo, Superior Monk of Hue Quang Pagoda; Ven. Thich Nu Dieu Thanh, Superior Nun of Thien Ban Pagoda; Ven. Thich Nu Dieu Thong, Superior Nun of Linh Chuong Pagoda; Ven. Thich Minh Nghia, Superior Monk of Giac Nguyen Pagoda; Ven. Thich Nu Khanh Van, Superior Nun of Kim Lien Pagoda; Ven. Thich Quang Minh, Superior Monk of Phap Hoi Pagoda; Ven. Superior Monk of Long Hoa Pagoda; Ven. Thich Nu Nhu Tam, Superior Nun of Vien Minh Pagoda; Ven. Thich Nu Nhu Loi, Superior Nun of Bo De Pagoda; Ven. Thich Nhat An, Superior Monk of Tuyen Lam Pagoda; Ven. Thich Tam Thanh, Superior Monk of Loi Am Pagoda; Ven. Thich Thien Buu, Superior Monk of Tu Hanh Pagoda; Ven. Thich Chon Thien, Superior Monk of Quan Am Pagoda; Ven. Thich Nu Nhu Tin, Superior Nun of Hai Quan Pagoda; Ven. Thich Thien Phat, Superior Monk of Lien Tri;

Ven. Thich Nguyen Ngon, Superior Monk of Phap Van Pagoda; Ven. Thich Nhat Quang, Superior Monk of Tu An Pagoda; Ven. Thich Nu Nhu Huong, Superior Nun of Giac Hoa Pagoda; Ven. Thich Nu Nhu Lan, Superior Nun of Giac Tri Pagoda; Ven. Thich Nhat Niem, Superior Monk of Phap Hoa Pagoda; Ven. Thich Nu Thanh Mai, Superior Nun of Lien Hoa Pagoda; Ven. Thich Chon Thien, Superior Monk of Linh Ung Pagoda; Ven. Thich Nu Nhu Hai, Superior Nun of Tu Thuyen Pagoda; Ven. Thich Thien Phat, Superior Monk of Lien Tri Pagoda; Ven. Thich Hue Canh, Superior Monk of Buu Thanh Pagoda; Ven. Thich Nu Nhu Hoa, Superior Nun of Long Nhieu Pagoda; Ven. Thich Nu Tam Hanh, Superior Nun of Vo Uu Pagoda; Ven. Thich Giac Dao, Superior Monk of Thien Buu Pagoda; Ven. Thich Nu Ngoc Vien, Superior Nun of Pho Da Pagoda; Ven. Thich Chon Phuong, Superior Monk of Phat Buu Pagoda; Ven. Thich Phuoc Long, Superior Monk of Thien Truc Pagoda; Ven. Thich Nu Minh Le, Superior Nun of Quan Am Pagoda; Ven. Thich Minh Dat, Superior Monk of Quang Duc Pagoda; Ven. Thich Nu Dieu Kim, Superior Nun of Tuyen Lam Pagoda; Ven. Thich Giac Tri, Superior Monk of Lac Quang Pagoda; Ven. Thich Phuoc Hoang, Superior Monk of Long Tho Pagoda; Ven. Thich Chanh Phuong, Superior Monk of An Lac Pagoda; Ven. Thich Nu Duc Hai, Superior Nun of Phuoc Thien Pagoda.

Editorial Calls For Greater Revolution Spirit

*BK1309143295 Hanoi NHAN DAN in Vietnamese
19 Aug 95 p 1,4*

[Editorial: "The August Revolution Banner"]

[FBIS Translated Text] Exactly 50 years ago, also in the autumn days of August, in our entire country, from the mountain top of Lung Cu to the cape of Ca Mau, all the Vietnamese people stood under the red gold-starred flag; waged a resounding revolution; crushed the oppressive system set up by colonialism, imperialism, and feudalism; established the first worker and peasant government in a colony — the Government of the Democratic Republic of Vietnam — and started a new era for our country — the era of independence, freedom, and socialism for a country with 4,000 years of recorded history. These days are engraved in our national history with the glorious golden words of the August Revolution. These days brought new meaning to our nation — that national independence must be attached to socialism.

Not to accept the fate of slavery, millions of Vietnamese stood up as one to seize the government and be masters of their own destiny. The leader of the revolution in those heroic years and months was the Vietnamese

Communist Party headed by great President Ho Chi Minh. The entire country made the commitment in the oath: National independence must be gained at any price!

With that iron will, in that unforgettable autumn of 1945 — when the country was virtually exhausted after a terrible famine that killed millions of people, and when internal enemies and foreign aggressors were too ready to carry out their crafty designs — 5,000 communist party members inspired the spirit of indomitability for the entire nation to seize opportunities and move toward victories. From cities to rural areas, waves of people fervently fought side by side. Factory workers with spanners and hammers in their oily hands; farmers with bamboo sticks, spears, broad swords, mattocks, and hoes; and state officials, intellectuals, industrialists, and businessmen incensed at the shame of national dependence stood together for a great national cause. The spirit of "unity for national independence and freedom" was fostered and multiplied many times over in the next 20 years of fighting for national protection with numerous sacrifices and difficulties. With that spirit and under the brilliant leadership of the party and beloved Uncle Ho, the Vietnamese Revolution steadily moved forward, scoring "the earth-shaking victory of Dien Bien Phu" and "the great victory of the Historic Spring of 1975".

Today, our country is entering a new stage of revolution. The renovation initiated and led by our party has recorded very important achievements. Opportunities have arrived but dangers and challenges still lurk. As in the autumn of 1945, at this historic point, with the same spirit of indomitability, more than 70 million Vietnamese citizens, including more than 2 million party members, need to continue to arouse and develop the same national strength of unity as in the early days of national establishment and protection. The spirit of indomitability today is the determination not to accept slow national development and prolonged economic sluggishness and backwardness; the determination not to allow any hostile forces to consider and execute dark schemes to sabotage our country and our striving for national renovation; the determination to quickly achieve the goal of prosperous popularity, a powerful nation, and an equitable and civilized society, and to have our country head in the socialist direction.

This year, the 50th anniversary of the August Revolution, comes when our party is holding congresses at all levels before organizing the eighth national party congress to review the implementation of the renovation, to outline upcoming steps in the remaining years of the 20th century and the early years of the 21st century, to lead our country to a new period of development, and to

accelerate national industrialization and modernization. Now, it is the responsibility of all basic party organizations to launch a "general uprising" of intelligence and willpower for creative action under the spirit of the August Revolution by all party members and people from all walks of life.

In Vietnam, August is the month of sweet fruits. The revolution tree planted half a century ago with great hardship has given us its first fruits in this autumn with the promise of better fruits in subsequent seasons. The lesson of the August Revolution is a lesson of "national unity" under party leadership to score glorious achievements. The August Revolution banner is calling for our entire people to overcome difficulties and hardship, to firmly grasp opportunities, eliminate dangers, unite in a solid bloc, lead our country on the socialist path, and bring prosperity to the nation, and well-being and happiness to the people.

Regulations Issued on Quantity, Quality of Goods

*BK1409104095 Hanoi Voice of Vietnam in English
1000 GMT 13 Sep 95*

[FBIS Transcribed Text] The prime minister has issued regulations on monitoring the quantity and quality of goods in the marketplace. The grades of goods have become much more diverse, and the government believes regular typed procedures for ensuring the quantity and quality of goods entering the market have not been given enough attention. The prime minister has instructed the Commerce Ministry; the Ministry of Science, Technology, and Environment; the Ministry of Culture and Information; and People's Committees of cities and provinces to deal with poor monitoring processes. Quantity and quality control as well as business operations generally will be controlled by the legal system.

Government To Set Aside Reserve Supply of Rice

*BK1409104395 Hanoi Voice of Vietnam in English
1000 GMT 13 Sep 95*

[FBIS Transcribed Text] The Vietnamese Government aims to set aside a reserve supply of 100,000 tonnes of rice to cover any disaster or shortages for the rest of this year. The government has promised to subsidize state-run food companies to buy extra supply of rice. It will also help cover the cost of rice transportation by state traders moving food to mountain provinces. Both the northern and southern deltas are expected to harvest a bumper rice crop this year. To keep the rice price stable, state businesses are urging government agencies to prevent rice smuggling across the border and directly control the quantity of rice exported over the next two months.

Government Issues Bonds on World Finance Markets

BK1409104495 Ho Chi Minh City THOI BAO KINH TE SAIGON in Vietnamese 17-23 Aug 95 p 5

[Report by N. Tran]

[FBIS Translated Text] According to leaders of the Merrill Lynch Stock Trading Company of the United States, Vietnamese bonds will appear on the international financial market for the first time by the end of the year.

In a working session with Truong Tan Sang, chairman of the Ho Chi Minh City people's committee last week, Mr. Herbert Allison Jr, vice chairman of the Merrill Lynch Company, said that his company and the Nomura Company of Japan will be authorized by the Vietnamese Finance Ministry to register Vietnamese bonds on the European financial market.

After registration, Vietnamese bonds will not only be traded in Europe but also in the United States and Asia.

According to a stock exchange expert, Vietnamese bonds are guaranteed by the government, carry a term of three years, and may be extended to five years. The total amount of the bonds will be \$100-150 million with annual interest of about 10 percent.

Mr. Truong Tan Sang suggested that the Merrill Lynch Company issue Ho Chi Minh City government bonds on the foreign financial market.

Mr. Richard Dunn, executive director of the Merrill Lynch Company in Japan and Asia-Pacific said that his company could obtain loans of \$50 million from government bonds for Ho Chi Minh City after the company issues bonds for the Vietnamese Government.

FORTUNE magazine, in its July issue, rated Merrill Lynch as the number one stock trading company in the world.

New Power Transformer for Industrial Zone

BK1409104895 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 11 Aug 95 pp 1, 5

[FBIS Translated Text] In Dong Nai Province on 10 August, the Ministry of Building's city and industrial development corporation organized an international bidding for supplying equipment for the construction of a 110/22kv electric transformer station at the A Tuy Ha (Nhon Trach) industrial zone, covering an initial area of 100 hectares.

A total of 11 companies and corporations at home and abroad, including those from Germany, Sweden, France, the ROK, China, and Malaysia have qualified and have submitted their offers. They also submitted samples of

eight kinds of materials, equipment, machines, and spare parts for the transformer station. Delivery of this volume of materials and equipment worth about \$1.2-1.7 million will take from four to nine months.

A committee comprising specialists from the Ministry of Energy, the Ministry of Building, and agencies concerned will be set up to consider and select the company with the best offers.

Companies that win the bidding will be asked to sign a contract with Vietnam 15 days after official notification. The bidding has been carefully prepared to ensure the best material-technological bases for the A Tuy Ha industrial zone to be completed in 1996.

Can Tho Conducts Grass-Roots Party Congresses

BK1409032695 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 9 Sep 95

[FBIS Translated Text] Thirty-six party chapters at grassroots levels in Can Tho province have completed their party congresses. Generally, these congresses were conducted in a way that ensured the satisfactory fulfillment of all requirements in accordance with the Directive No. 51 of the Central Committee Secretariat and the guidance of the provincial party committee.

Among new members voted into party committees, the percentage of woman cadres is high. In some places, the percentage reaches 45 to 50.

At present, many local party chapters have begun implementing step two, i.e. preparations in terms of personnel and documents for party congresses.

Son La Conducts Local Party Congresses

BK1409041595 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 10 Sep 95

[FBIS Translated Text] During a period of 29 days, Son La Province has conducted pilot party congresses for 48 party organizations and chapters at grassroots levels, in which the provincial party committee directly guided the party congresses at three pilot party organizations.

Generally speaking, the preparation and implementation of party congresses were well guided by higher party committees, thus ensuring good results and proper adherence to the party's procedures and principles.

Following the pilot party congresses, the provincial party committee held a conference to review experiences and discuss measures to rectify shortcomings.

Soc Trang Completes Grass-Roots Party Congresses

*BK1409042395 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 10 Sep 95*

[FBIS Translated Text] Along with the task of preparing the personnel and documents for the party congresses at provincial and district levels, Soc Trang provincial party committee has actively guided the implementation of party congresses at grassroots levels, reviewed fulfillment of the resolution of the Party Central Com-

mittee's Third Plenum, and evaluated achievement of party committees at grassroots levels.

So far the grassroots party organizations have completed their preparation in terms of personnel and documents [for higher level party congresses]. Over 90 percent of party committees at the village, the ward, and the village town levels have completed their evaluation of the office term of existing party committees.

Bolger on SPF Statement Against Nuclear Tests*BK1409012295 Hong Kong AFP in English
2332 GMT 13 Sep 95*

[FBIS Transcribed Text] MADANG, Papua New Guinea, Sept 14 (AFP) — The South Pacific Forum summit of leaders will deliver a "unanimous, firm statement" to France Thursday saying the region does not want nuclear testing in its backyard, New Zealand Prime Minister Jim Bolger said.

Speaking to journalists before the day long leaders retreat, Bolger said he and Australian Prime Minister Paul Keating will brief the other 14 leaders on the protests that have been mounted against French testing.

Bolger will also brief them on the progress of New Zealand's case against French nuclear testing now before the International Court of Justice in The Hague.

The leaders would then issue a communique condemning testing, he said.

"A unanimous, firm statement pointing out to the government of France that we don't want nuclear testing in the Pacific, in fact we don't want nuclear testing, fullstop, but we're dealing with a Pacific issue," Bolger said.

"I am optimistic that we'll get a strong statement out of the leaders, there has been some talk in the past that perhaps one or two were less than aggressive in terms of their position on France but I think you'll find we will get a unanimous statement."

Bolger said it was important for the statement to be strong. "There is one momentum and the momentum is going against nuclear testing anywhere, but specially here in the Pacific and they are going to end. What we want is that they end now before there are any more tests," he said.

Bolger welcomed a French decision to allow the European Community environment commission to visit Mururoa Atoll, scene of the tests, and he said he hoped France would agree to International Atomic Energy Agency inspection before the next test. He said he wanted a New Zealander to be on that mission.

Asked if the forum statement would be noticed in Paris, he replied: "It will be 16 voices in unison in the region, that is a powerful voice, but that is not 16 alone, it's 16 that join the countries of the European Union, France's neighbours, it's that 16 that join the ASEAN regional forum meeting, it's all the individual protests from Latin America, it's 16 voices saying to France stop and stop now, that will be very powerful."

Bolger said he expected French Polynesian independence would also be discussed by the forum, as this issue had been "energized" by the testing.

"It's up to the people of French Polynesia to take the initiative, to determine the constitutional arrangements they have with France, it really isn't for New Zealand or any other member of the forum," Bolger said.

"We shouldn't be saying to French Polynesia that you should do it this way or that way, they must work that forward and do it their way."

Leaders from Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Solomons, Tonga, Tuvalu, Vanuatu and Western Samoa are at the annual gathering.

SPF Expresses 'Extreme Outrage' at French Tests*BK1409084595 Hong Kong AFP in English
0839 GMT 14 Sep 95*

[FBIS Transcribed Text] Madang, Papua New Guinea, Sept 14 (AFP) — Sixteen leaders of South Pacific nations Thursday expressed "extreme outrage" at the resumption of French nuclear testing in the Pacific.

The leaders taking part in the annual South Pacific Forum [SPF] spent most of their retreat crafting a tougher than expected statement.

The communique said: "Leaders express their extreme outrage at the resumption of French nuclear testing in the Pacific.

"Forum leaders again demand that France desist from any further tests in the region and call on other countries also to seek to persuade France to cease testing."

The communique said the forum recalled the "painful memories" resulting from nuclear testing conducted in the region a half-century ago which "still haunt many people in the region".

The forum leaders decided to go ahead with its dialogue session with French Cooperation Minister Jacques Godfrain next Monday. But they warned: "Should France continue its testing in the Pacific, the forum will review France's status as a post-forum dialogue partner".

The communique said "the outrage of the forum member countries is so much the greater because of the intransigence of France, together with the People's Republic of China, in persisting with their nuclear tests in the face of worldwide appeals and sentiment against testing".

The leaders welcomed New Zealand's International Court of Justice action against French testing and called for full monitoring of Mururoa Atoll.

They finally expressed sincere appreciation to the region's people for the campaign against nuclear testing.

"They renew their undertaking to take all possible steps to stop nuclear testing and the proliferation of nuclear weapons," the communique said.

Produces 'Tough' Communique

*BK1409105895 Hong Kong AFP in English
1042 GMT 14 Sep 95*

[FBIS Transcribed Text] Madang, Papua New Guinea, Sept 14 (AFP) — South Pacific Forum leaders on Thursday expressed "extreme outrage" at French nuclear testing and said they would review official dialogue with France if there was another blast.

The summit of 14 island nations and Australia and New Zealand produced a two page attack on French nuclear testing which resumed this month during closed talks at a luxury resort north of Madang.

Their communique said: "Leaders express their extreme outrage at the resumption of French nuclear testing in the Pacific.

"Forum leaders again demand that France desist from any further tests in the region and call on other countries also to seek to persuade France to cease testing."

Forum spokesman Sir Geoffrey Henry, prime minister of the Cook Islands, said there was total agreement over the tough communique: "Everyone was trying to make it as strong as possible."

He said a forum panel would meet French Cooperation Minister Jacques Godfrain in Port Moresby, the Papua New Guinea capital, next week as part of the dialogue process.

The forum leaders warned: "Should France continue its testing in the Pacific, the forum will review France's status as a post-forum dialogue partner".

And Henry commented, "I can assure you there would be some very strong recommendations for termination of... France's association" if there were more tests at Mururoa Atoll in French Polynesia.

Australian Prime Minister Paul Keating (?described the statement) as a "very strong communique."

Keating and New Zealand Prime Minister Jim Bolger briefed forum leaders on the protests they had made to date.

The official statement said "the outrage of the forum member countries is so much the greater because of the intransigence of France, together with the People's Republic of China, in persisting with their nuclear tests

in the face of world wide appeals and sentiment against testing."

The leaders expressed appreciation to Pacific inhabitants for the campaign against nuclear testing.

"They (the leaders) renew their undertaking to take all possible steps to stop nuclear testing and the proliferation of nuclear weapons," the communique said.

Henry said regional leaders did not expect another nuclear test before the meeting with Godfrain as they knew there was a 25 to 30 day gap between tests.

"If it did happen in 30 days, the question is what would the forum leaders do. Quite obviously we would need to consult amongst ourselves... in order to work out a position in respect to France's status as a dialogue partner."

The forum would instigate a consultation process.

"There was some very powerful feeling among the leaders against the testing and that's the reason why the review of their status came up and if they did continue with the testing I can assure you there would be some very strong recommendations for termination of forum and France's association," Henry said.

The forum steered clear of bringing independence for the French territories into the debate.

"There was some thought in the mind of the leaders that they should take a firm stance on encouraging the independence of Tahiti-Nui (French Polynesia) and New Caledonia.

"But the general position we took was that that was strictly a matter for the people of Tahiti-Nui and New Caledonia to decide, its for the people of those territories to decide on their political position for the future," he said.

Leaders also discussed the riots that erupted in Papeete, the French Polynesia capital, after last week's first test.

"The general comment of those who spoke was that our protest should not encourage violence of the kind seen in Papeete and that whatever protest we undertake as a group should be peaceful and reasonable," said their statement.

'Strongest' Collective Statement

*LD1409085595 Melbourne Radio Australia
in English 0800 GMT 14 Sep 95*

[FBIS Transcribed Text] Leaders of the main political group linking South Pacific countries have issued their strongest collective statement yet against French nuclear testing in French Polynesia. In the statement, issued in

Papua New Guinea, the South Pacific Forum leaders expressed extreme outrage at the resumption of French testing last week.

The leaders, meeting at a resort town near the town of Madang, stopped short of imposing any trade sanctions against France. However, they said France's status as a dialogue partner of the South Pacific Forum would be reviewed. The Forum's 16 members do not include any French Pacific territories.

The Forum leaders said France had joined China in ignoring worldwide sentiment by continuing nuclear tests. They said that in the spirit of a renewed emphasis on global disarmament, France should sign and ratify the protocols of the South Pacific Nuclear-Free Zone Treaty [the Treaty of Rarotonga]. The leaders also called on France to provide access to the international scientific community to enable an independent and comprehensive assessment of the environmental effects of nuclear testing in French Polynesia.

Australian Prime Minister Paul Keating strongly endorsed the statement, but was asked if an expression of outrage was good enough.

[Begin Keating recording] Well, would you like us to stand on our heads? Buy a few garlands from around here and make the show better for you? [end recording]

South Pacific Forum Discusses French Polynesia

LD1409090795 Wellington Radio New Zealand International in English 0700 GMT 14 Sep 95

[FBIS Transcribed Text] Independence for French Polynesia is under discussion at the South Pacific Forum leaders' meeting in Papua New Guinea, even though there are differences of opinion on how it should be handled. The leaders of 16 South Pacific nations went into a private retreat today at Papua New Guinea's resort of Madang. The antinuclear campaign is on the agenda, and for Australian Prime Minister Paul Keating, the issue goes hand in hand with decolonization, but New Zealand Prime Minister Jim Bolger says it's an issue for French Polynesia, not other Forum nations:

[Begin Bolger recording] The testing has energized those in French Polynesia who are promoting an independence for French Polynesia, but what form of independence they may wish to have initially — given their long ties with France, obviously substantial financial support from France — we shouldn't try to say to French Polynesia that you should do it this way or that way. They must work that (?forward), then do it their way. [end recording]

The Forum leaders are expected to come out with a strong statement against nuclear testing, but it's thought

less likely they'll make a formal statement on nuclear testing.

Australia

Russian Envoy: Canberra Blocking APEC Entry

*BK1409071695 Hong Kong AFP in English
0638 GMT 14 Sep 95*

[FBIS Transcribed Text] CANBERRA, Sept 14 (AFP) — Russian ambassador Aleksandr Losyukov Thursday attacked Australia for insulting his country by blocking its entry to the 18-member Asia Pacific Economic Cooperation forum.

Losyukov told a meeting of the Australian Institute of International Affairs that Australia played a leading role in blocking Russia's entry — an act he described as unjust, unreasonable and hostile.

The ambassador said he liked Australia and sincerely wanted to improve bilateral relations.

But "I have to state with a big degree of bitterness that the Australian attitude to this issue is not understood in Russia and worse than that, is taken as an insult," he said.

Losyukov said some countries retained commercial and non-commercial trade barriers established during the Cold War, and these were impeding Russia's attempts to broaden its trade.

"We interpret obstacles created on our way to such groups as the APEC as not just an insult to our pride but also as a desire to undermine our legitimate commercial interests, our right for free trade," he said.

"Our economy is not in the best shape, that is true. But it is getting better."

The Australian Government's opposition to Russia joining APEC was a major irritation which threatened further progress in bilateral relations and undermined a positive image of Australia among Russians.

"I cannot explain to the public and my colleagues in Moscow why Australia — the country associated in their minds with promoting broad and open cooperation among [words indistinct] nations of the region — is objecting, although indirectly," he said.

Russia wanted to fully participate in the setting up of a new economic order in a zone which is of "vital importance." It wanted to join APEC not just for prestige but for economic necessity, he said.

"I dare to contest the argument of the Australian Government that our participation in the APEC would

undermine the 'fragile structure' of the organisation," he said.

"On the contrary, it can make it stronger and more comprehensive."

A spokesman for Australia's Department of Foreign Affairs and Trade said there was a moratorium on new APEC members until after next year's APEC meeting.

Criteria for new members was being discussed and the issue would be raised at the seventh APEC meeting in Osaka this November. Australia believed Vietnam should be the next member accepted, the spokesman added.

APEC groups Australia, Brunei, Canada, China, Hong Kong, Indonesia, Japan, Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Taiwan, Thailand, the United States and Chile.

Alleges 'Hostile' Opposition

*LD1409114195 Melbourne Radio Australia
in English 1000 GMT 14 Sep 95*

[FBIS Transcribed Text] Russia has accused Australia of being unreasonable and hostile in resisting Moscow's efforts to join APEC, the Asia-Pacific economic forum. Russia's Ambassador to Canberra Aleksandr Losyukov said Australia's approach was an insult. He told the Australian Institute of International Affairs in Canberra that Russia felt bitterness at being excluded from APEC, which groups 18 Asia-Pacific economies. Mr. Losyukov said obstacles to joining APEC undermined Russia's legitimate commercial interests.

Australia's Trade Minister Bob McMullan said APEC's three-year freeze on new members would expire in November next year. Senator McMullan said when Russia formally applied to join APEC in March this year they were aware of the moratorium on new members.

Radio Australia's foreign affairs correspondent says that as well as Russia, other countries pushing to join APEC are India and Vietnam.

Indonesian Fishing Boats Seized, Fishermen Fined

*LD1409133295 Melbourne Radio Australia
in English 0900 GMT 14 Sep 95*

[FBIS Transcribed Text] Twenty-three Indonesian fishermen have been fined 2,000 dollars each after pleading guilty to illegally fishing in Australian waters. The fishermen were taken into custody near the Rowley Shoals, 180 nautical miles west of Broome in Western Australia, earlier this month. The captains of four other boats captured off the northwest coast last month who originally

pleaded not guilty to the same charge have now changed their plea.

In addition to the fines, the fishing boats and equipment have been seized. The fishermen will be repatriated to Indonesia next week.

French Polynesia

Leader Says Australia 'Trying To Oust France'

*LD1409095695 Melbourne Radio Australia
in English 0800 GMT 14 Sep 95*

[FBIS Transcribed Text] The President of French Polynesia Gaston Flosse, has accused Australia of trying to oust France from the Pacific. Mr. Flosse made the accusation in an open letter to the Australian Prime Minister Paul Keating. He said French Polynesians were proud that their territory belonged to France and opposed any kind of interference in their affairs.

Mr. Flosse said Australia had adopted totally unfounded acts of hostility toward France because of the resumption of nuclear testing in French Polynesia. He alleged that these acts included harassment of French people living in Australia and a boycott of French merchant ships. Mr. Flosse also accused 35 members of Australian federal and state parliaments of associating with a demonstration in French Polynesia by pro-independence activists. He said Mr. Keating should have condemned as inadmissible interference in French Polynesia's affairs.

Earlier this year, Mr. Flosse said he was opposed to nuclear testing in his territory, but he announced he had changed his mind after a visit to Paris.

Says Anger 'Totally Unfounded'

*BK1409061995 Hong Kong AFP in English
0608 GMT 14 Sep 95*

[FBIS Transcribed Text] PAPEETE, Sept 14 (AFP) — Australia's campaign against France over its nuclear tests in the South Pacific showed it was trying to oust France from the Pacific, a top French official said here Thursday.

In an open letter to Australian Prime Minister Paul Keating, Gaston Flosse, president of the territorial government in French Polynesia, said Canberra's hostility was "totally unfounded."

He said French Polynesians were proud of belonging to France and they would oppose any kind of interference in their affairs.

Australia has been in the forefront of a campaign against France's decision to resume nuclear tests at its Mururoa

Atoll site in the South Pacific. Keating called the first test two weeks ago an "act of stupidity."

In his letter, Flosse recalled the "harassment" French people living in Australia had to face, a boycott of French merchant ships and the "inadmissible interference in the internal affairs of Polynesia by 35 Australian MPs."

The MPs had associated themselves with a politically-motivated demonstration by a minority pro-independence movement against the legitimate government of Polynesia, he said.

"I am not aware of you condemning this initiative," said Flosse in his letter. "This is something you ought to have done if you recognised the legitimacy of our institutions."

Flosse also recalled that many Australian scientists had concluded in July that French nuclear tests had been without consequence for the environment or the health of Polynesians.

Tahitian Official Warns About More Nuclear Tests

*LD1409081495 Melbourne Radio Australia
in English 0700 GMT 14 Sep 95*

[FBIS Transcribed Text] A French Polynesian community leader has predicted further violent unrest if France conducts a second nuclear test at Mururoa Atoll. During a visit to Canberra, Gabriel Tetiarahi, the leader of the Hiti Tau, an organization which represents indigenous communities, said the Tahitian people were preparing Molotov cocktail bombs, rocks, and guns. Mr. Tetiarahi said violence is perhaps the only way to draw international attention to the antinuclear and independence causes.

[Begin Tetiarahi recording] We are a peace people, but it's impossible to stop a people when his right to exist is stopped by the French president. [end recording]

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